Financial Statements With Supplementary Information

June 30, 2010

(With Independent Auditors' Reports Thereon)

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# PART I

# REPORT OF AUDIT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA YEAR ENDED JUNE 30, 2010

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA Steven D. Wielkotz, CPA, RMA James J. Cerullo, CPA, RMA Paul J. Cuva, CPA, RMA Thomas M. Ferry, CPA, RMA

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### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council City of Hoboken County of Hudson, New Jersey

We have audited the accompanying regulatory-basis financial statements of the City of Hoboken (the "City"), County of Hudson, New Jersey as of and for the years ended June 30, 2010 and 2009, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended June 30, 2010. These financial statements are the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Honorable Mayor and Members of the City Council Page 2.

In our opinion, because of the City of Hoboken's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Hoboken, New Jersey as of June 30, 2010 and 2009 or the results of its operations for the years then ended.

The financial statements referred to above include a Statement of General Fixed Assets as required by the Division of Local Government Services. However, as more fully described in Note 1 and Note 3 to the financial statements, this schedule has not been updated. Also, the Borough did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities implement this GASB.

However, in our opinion, the financial statements referred to above, with the exception of the effect described in the paragraph above, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the City of Hoboken, New Jersey at June 30, 2010 and 2009, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended June 30, 2010, on the basis of accounting described in Note 1.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated February 18, 2011 on our consideration of the City of Hoboken's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <u>Government Auditing Standards</u> and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Hoboken, State of New Jersey, taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Government, and Nonprofit Organizations, and New Jersey State Office of Management and Budget Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not



Honorable Mayor and Members of the City Council Page 3.

a required part of the financial statements. Additionally, the accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the New Jersey Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly presented in all material respects in relation to the regulatory basis financial statements taken as a whole on the basis of accounting as described in Note 1.

Steven D. Wielkotz, C.P.A.

Registered Municipal Accountant

No. CROO413

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FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. Certified Public Accountants

February 18, 2011



# Comparative Balance Sheet - Regulatory Basis

# **Current Fund**

# June 30, 2010 and 2009

	Ref.	2010	2009
<u>Assets</u>			
Current Fund:			
Current Assets:	• 1	d) 00 2 7 4 000	22.206.602
Cash - Operating Accounts  Cash - Change Fund	A-4 A-5	\$ 20,354,290	32,296,693
Cash - Change runu	PX~J	1,050	1,050
		20,355,340	32,297,743
Due from State of New Jersey per			
Ch. 129, P.L. 1976	A-6	45,402	49,017
		45,402	49,017
		20,400,742	32,346,760
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	243,678	379,661
Tax Title Liens	A-8	296,562	337,094
Property Acquired for Taxes -			
Assessed Valuation	A-9	2,806,900	2,806,900
Mortgage Receivable	A-10	428,206	537,601
Water Liens	A-11	36,499	46,254
Revenue Accounts Receivable	A-12	395,833	395,833
Interfunds Receivable	A-19	469,801	32,774
		4,677,479	4,536,117
Deferred Charges	A-13	8,096,962	9,716,355
		8,096,962	9,716,355
		33,175,183	46,599,232
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	1,725,265	7,475,512
Expenditures without Appropriation	A-13	135,154	•
Grants Receivable	A-14	3,364,995	2,380,060
		5,225,414	9,855,572
		\$ 38,400,597	56,454,804

# Comparative Balance Sheet - Regulatory Basis

# **Current Fund**

# June 30, 2010 and 2009

	Ref.	2010	2009
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-15 \$	2,034,170	614,144
Unencumbered	A-3/A-15	3,712,830	6,155,498
Promissory Note Payable - HCIA	A-16	428,906	537,601
Tax Anticipation Notes Payable	A-17		20,000,000
Tax Overpayment	A-18	323,322	177,151
Interfunds Payable	A-19	124,297	124,297
School Taxes Payable	A-21	9	9
Various Reserves	A-22	1,688,430	343,591
		8,311,964	27,952,291
Reserve for Receivables	Contra	4,677,479	4,536,117
Fund Balance	A-1	20,185,740	14,110,824
* ····			
	_	33,175,183	46,599,232
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-24	381,497	364,838
Interfunds Payable	A-25	2,594	32,774
Reserve for Grant Expenditures	A-26	4,841,323	9,457,960
2000210 202 SAMAKO AFFANANANANANA	*****	-72 -72	
	_	5,225,414	9,855,572
	\$	38,400,597	56,454,804

# Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

### **Current Fund**

# Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues and Other Income: Fund Balance Utilized	500,000	
Miscellaneous Revenue Anticipated	43,615,869	39,892,843
Receipts from Delinquent Taxes	43,013,009	26,764,376
Receipts from Current Taxes	141,052,131	135,654,213
Non-Budget Revenue	937,974	1,670,941
Other Credits to Income:	957,974	1,070,241
Unexpended Balance of Appropriation Reserves	3,099,811	858,961
Unexpended Balance of Appropriations	5,055,011	050,701
Prior Year Interfunds Returned	32,773	103,005
Other Credits to Income	210,160	101,464
Void Checks	43,317	101,404
Liability Canceled	73,517	405,803
Liability Canceled	<del></del>	
Total Revenues and Other Income	189,492,035	205,451,606
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	43,817,256	41,526,690
Other Expenses	37,299,804	37,382,779
Capital Improvement Fund	650,000	
Municipal Debt Service	8,629,494	7,823,676
Statutory Expenditures and Deferred Charges	11,792,684	30,848,710
	102,189,238	117,581,855
Local District School Tax	36,764,796	36,073,376
County Taxes	43,167,566	39,811,704
Revenue Refunds	328,312	466,713
Interfunds Advanced	467,207	
Total Expenditures	182,917,119	193,933,648
Excess (Deficit) Revenue Over Expenditures	6,574,916	11,517,958
Statutory Excess to Fund Balance	6,574,916	11,517,958
Fund Balance, July 1,	14,110,824	2,592,866
	20,685,740	14,110,824
Decreased by:		
Fund Balance Utilized as Budget Revenue	500,000	
	00 100 540	14 110 004
Fund Balance, June 30,	20,185,740	14,110,824

# Statement of Revenues - Regulatory Basis

# **Current Fund**

# Year Ended June 30, 2010

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$500,000	500,000	
Miscellaneous Revenues:			•
Licenses and Fees:			
Alcoholic Beverages	255,576	319,482	63,906
Other	213,652	231,543	17,891
Fees and Permits	393,293	303,685	(89,608)
Zoning Board of Adjustment Fees	140,736	127,944	(12,792)
Planning Board Fees	52,294	9,100	(43,194)
Rent Leveling Fees	38,269	43,588	5,319
Fines and Costs:			
Municipal Court	3,740,036	4,788,365	1,048,329
Parking Tax	980,092	1,002,661	22,569
Interest and Costs on Taxes	1,291,903	334,845	(957,058)
Interest on Investments and Deposits	184,789	155,848	(28,941)
Riverview Cablevision Associates	209,696	207,631	(2,065)
Rents on City Owned Property	110,658	78,948	(31,710)
SJP Properties - Block A-Phase I	1,071,984	1,071,984	. , ,
SJP Properties - Block A-Phase II	1,071,984	1,071,984	
SJP Properties/Applied - Block B	300,000	300,000	
Applied Development Co South Waterfront - Block C	1,235,072	1,235,072	
1300 Grand Street (Pilot Payment)	747,405	763,285	15,880
Anticipated Parking Utility Operating Surplus	3,500,000	3,500,000	,
Grogan Marineview Plaza	650,000	742,323	92,323
Clocktowers	136,302	143,718	7,416
Marion Towers Associates	172,074	177,550	5,476
Church Towers Urban Renewal	458,901	540,364	81,463
Columbian Towers	118,371	89,046	(29,325)
Columbian Arms	22,244	25,812	3,568
Hudson Square North	113,862	90,343	(23,519)
Willow Avenue Associates - 800 - 812 Willow Avenue	64,755	34,442	(30,313)
1200 Grand Street	1,012,384	1,023,032	10,648
Applied Housing - 1203-1219 Williow Avenue	243,018	285,962	42,944
Applied Housing - 1201-1221 Washington Estates	431,710	510,577	78,867
Applied Housing - 1200-1220 Hudson Estates	463,321	553,604	90,283
Applied Housing - 1301-1309 Bloomfield Estates	127,718	185,730	58,012
Applied Housing - Midway 500-508 Adams Street	215,917	281,832	65,915
Applied Housing - Elysian Estates	81,441	82,478	1,037
Applied Housing - Church Square	125,345	151,173	25,828
Applied Housing - Eastview Associates	110,712	128,802	18,090
Applied Housing - Bastview Associates  Applied Housing - Westview Associates	185,010	200,319	15,309
Applied Housing - Westview Associates  Applied Housing - Northvale I - 911-923 Clinton Street	384,021	476,284	92,263
Applied Housing - Northvale II - 901-919 Clinton Street	383,082	434,575	51,493
Applied Housing - Northvale IIIA	107,196	66,211	(40,985)
Applied Housing - Northvale III B - 1106-1014 Clinton Street	134,153	113,466	(20,687)
Applied Housing - Northvale IV - 58 11th Street	17,610	20,631	3,021
1118 Adams Street	25,565	20,031	(25,565)
1100 Adams Street	23,303 595,795	577,941	(17,854)
	373,173		711,788
800 Jackson Block 86 lot 1		711,788	16,063
PILOTS Interest		16,063	22,061
SID Central  Control ideted Municipal Property Toy Police Aid	10.044.340	22,061	22,001
Consolidated Municipal Property Tax Relief Aid	10,964,269	10,964,269 3,553,086	
Energy Receipts Tax	3,553,086	5,555,000	

# Statement of Revenues - Regulatory Basis

# **Current Fund**

# Year Ended June 30, 2010

	Budget	Realized	Excess or (Deficit)
Uniform Construction Code Fees	577,781	683,509	105,728
Hoboken Housing Authority - Public Safety	540,000	83,330	(456,670)
Bullet Proof Vest Partnership	8,883	8,883	( / /
Home Support and Adult Day Care	127,000	127,000	
CDBG Child Care Services	100,000	100,000	
Community Development Block Grant - Admin Costs	50,000	50,000	
State Local Cooperative Housing Inspection Program	49,000	49,000	
Multi Service Center	250,000	250,000	
CDBG-City Recreation Program	10,000	10,000	
NJDOT 2010 Aid Program Various Streets	460,531	460,531	
United Cerebral Palsy	2,000	2,000	
NJDOT-Safe Streets to Transit	80,000	80,000	
Drunk Driving Enforcement Fund	12,377	12,377	
Body Armor Replacement Fund	4,309	4,309	
NJEDA Hazardous Site Remediation	323,252	323,252	
Walk Safe Hoboken Pedestrians	16,000	16,000	
Clean Communities	58,198	58,198	
Clean Communities	12,084	12,084	
CDBG-Family Planning	20,000	20,000	÷
NJ Dept of Health H1N1	104,454	104,454	
	4,705	,	
Hepatitus B		4,705	
Justice Assistance Grant	82,531	82,531	
Municipal Alliance (County Share)	40,261	40,261	
Jubilee Center	50,000	50,000	
NJ Health Officers Association	2,500	2,500	
Hudson County Open Space 1600 Park Ave	300,000	300,000	
Hudson County Cultural and Heritage	4,734	4,734	
Energy Efficient Block grant	161,000	161,000	
Over Limit/Under Arrest	5,000	5,000	
Over Limit/Under Arrest	6,000	6,000	
Homeland Security Safer Grant	399,008	399,008	
Justice Assistance Grant	20,015	20,015	4. 4. 6
Uniform Fire Safety Act	86,145	72,091	(14,054)
Reserve, Outside-Duty Police Administration	150,000	181,379	31,379
1001 Jefferson (Pilot Payment)	721,328	449,568	(271,760)
W Hotel	382,200	1,119,542	737,342
Hotel/Motel Occupancy Tax	250,000	345,161	95,161
United Water Concession	168,000	168,000	
Subtotal General Revenues	42,074,597	43,615,869	1,541,272
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal			
Purposes Including Reserve for Uncollected Taxes	60,024,966	61,499,769	1,474,803
Budget Totals	102,599,563	105,615,638	3,016,075
Non-Budget Revenue		937,974	937,974
	\$102,599,563	106,553,612	3,954,049

# Statement of Revenues - Regulatory Basis

### **Current Fund**

### Year Ended June 30, 2010

### Analysis of Realized Revenues

Revenue from Current Tax Collections			\$	141,052,131
Allocated to County of Hudson Local School District	\$	43,167,566 36,764,796		
Book Soliton District		20,701,770	-	79,932,362
Balance for Support of Municipal				(1.110.700
Budget Appropriations				61,119,769
Add: Appropriation - Reserve for Uncollected Taxes			_	380,000
Amount for Support of Municipal			ф	61 400 M60
Budget Appropriations			\$_	61,499,769
Receipts from Delinquent Taxes:				
Delinquent Taxes				379,661
Tax Title Liens				145
			\$_	379,806
Analysis of Non-bu-	dget Rev	renues		
Miscellaneous Revenue Not Anticipated				
Tax Title Liens			\$	145
Delinquent Taxes				379,661
Closeout of Old Accounts				164,266
Unclaimed Funds				240,641
Miscellanous				22,186
Public Safety Police				15,797
Hoboken Historic				1,300
Tax Searches Variances - Tax Office				240 730
Duplicate Bills				44,428
Duplicate Bins  Duplicate Tax Sale Certificate				200
Telephone Commission				9,146
Senior Citizen Program				60
Franchise Fee			_	59,174
			\$_	937,974

# Statement of Expenditures - Regulatory Basis

# Current Fund

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	2010 Budget	Modification and Transfer	Paid or <u>Charged</u>	Reserved	Onexpended Balance <u>Canceled</u>
General Government: Mavor and Council					
Salaries and Wages	240,990	240,990	240,677	313	
Other Expenses	10,000	10,000	9,947	53	
ouncil					
ries and Wages	236,864	236,864	234,223	2,641	
Other Expenses	5,000	5,000	4,727	273	
Office of the Clerk					
Salaries and Wages	432,591	433,991	431,895	2,096	
Other Expenses	31,275	21,275	5,461	15,814	
r Expenses - Legal Advertising	25,000	35,000	31,827	3,173	
Other Expenses - Codification of Ordinances	30,000	. 20,000	11,298	8,702	
Salaries and Wages - Elections	35,000	35,000	25,905	9,095	
Other Expenses - Elections	77,500	47,500	39,457	8,043	
Department of Administration					
Business Administrator's Office					
Salaries and Wages	268,689	273,439	273,436	33	
Other Expenses	20,000	000,06	87,124	2,876	
Purchasing					
Salaries and Wages	289,503	279,503	277,255	2,248	
Other Expenses	2,670	3,170	2,749	421	
Licensing Bureau:					
Salaries and Wages	123,002	123,002	121,162	1,840	
Other Expenses	6,100	9,100	4,397	4,703	
Personnel and Health Benefits					
Salaries and Wages	202,020	202,020	201,384	636	
Other Expenses	2,400	2,400	742	1,658	

# Statement of Expenditures - Regulatory Basis

# Current Fund

	Year Ended June 30, 2010	ne 30, 2010			
	SFY 2010 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
					-
Zoning and Administration					
Salaries and Wages	93,487	88,487	87,352	1,135	
Other Expenses	11,800	11,800	2,849	8,951	
Uniform Construction Code					
Salaries and Wages	705,514	740,514	739,463	1,051	
Other Expenses	180,705	45,705	16,251	29,454	
Corporation Council					
Salaries and Wages	390,992	390,992	350,954	40,038	
Other Expenses	000,66	000,66	80,572	18,428	
Other Expenses - Special Council	760,000	760,000	752,888	7,112	
Other Expenses - Expert Witness & Appraisal	10,500	10,500	800	9,700	
Revenue and Finance Director					
Salaries	682,100	622,100	604,608	17,492	
Other Expenses	55,649	67,649	65,805	1,844	
Annual Audit					
Other Expenses	97,500	97,500	92,975	4,525	
Tax Collections					
Salaries and Wages	291,000	241,000	235,746	5,254	
Other Expenses	68,253	68,253	59,452	8,801	
Information Technology					
Salaries and Wages	132,000	132,000	128,212	3,788	
Other Expenses	24,446	24,446	12,546	11,900	
Municipal Court					
Salaries and Wages	1,074,737	1,074,737	1,053,248	21,489	
Other Expenses	197,500	142,300	120,683	21,617	
Public Defender					
Salaries and Wages	69,472	70,272	70,210	62	
Other Expenses	4,300	4,300	3,100	1,200	

CITY OF HOBOKEN

# Current Fund

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Unexpended Balance <u>Canceled</u>		
Reserved	3,285 473 3,814 3,18 5,163 2,385 483 556 31,878 7,561 28,670 61,857 22,103 24,005 21,917	
Paid or <u>Charged</u>	346,164 22,047 199,213 1,682 1,682 186,541 26,965 74,160 1,194 544,232 153,738 442,499 12,443 85,705 85,705 273,422 2,833	
Budget after Modification and Transfer	349,449 22,520 203,027 2,000 191,704 29,350 74,643 1,750 576,110 161,299 471,169 74,300 568,975 212,570 107,622	
SFY 2010 Budget	349,449 22,520 233,027 2,000 191,704 29,350 42,643 1,750 599,022 161,299 471,169 27,300 588,975 212,570 107,622 1,000	
	Office of the Tax Assessor Salaries and Wages Other Expenses Department of Human Services Director's Office Salaries and Wages Other Expenses Housing Inspections Salaries and Wages Other Expenses Health Salaries and Wages Other Expenses Cuther Expenses Salaries and Wages Other Expenses Cultural Affairs Salaries and Wages Other Expenses Other Expenses Salaries and Wages Other Expenses Other Expenses Other Expenses Other Expenses Other Expenses	

CITY OF HOBOKEN

# Current Fund

Year Ended June 30, 2010

Unexpended Balance Canceled

Reserved	6,431 14,700	3 7,378	53 21,869	1,059 3,561 46	200,412 5,612 16,848	1,000	1,135
Paid or <u>Charged</u>	647,735 115,300	779,931 227,622	799,419	279,103 171,439 848,173	3,487,588 169,830 87,652		132,395
Budget after Modification and Transfer	654,166 130,000	779,934 235,000	799,472	280,162 175,000 848,219	3,688,000 175,442 104,500	1,000	133,530 65,500
SFY 2010 <u>Budget</u>	654,166 120,000	777,834 250,000	676,572 92,000	254,162 175,000 906,969	3,400,000 195,442 104,500	1,000	126,530
	Parks Salaries and Wages Other Expenses	Public Property Salaries and Wages Other Expenses Streets and Roads	Salaries and Wages Other Expenses Emergency Road Repair Other Expenses Central Garage	Salaries and Wages Other Expenses Sanitation Salaries and Wages	Other Expenses Department of Community Development Director's Office Salaries and Wages Other Expenses	Grants Management Salaries and Wages Other Expenses Waterfront Development Other Expenses	Planning Board Salaries and Wages Other Expenses

CITY OF HOBOKEN

# Current Fund

Year Ended June 30, 2010

Unexpended Balance Canceled

Reserved	27,802	57,468	382		487,836	57,824			314,357	59,715				372	504		74,394	9,738	469,498			46	1,558
Paid or <u>Charged</u>	147,198	117,532	218		16,634,256	228,876			12,365,147	130,185		86,145		138,431	11,496		1,475,606	690,262	14,943,962			4,154	642
Budget after Modification and Transfer	175,000	175,000	009		17,122,092	286,700			12,679,504	189,900		86,145		138,803	12,000		1,550,000	700,000	15,413,460			4,200	2,200
SFY 2010 <u>Budget</u>	100,000	175,000	009		15,622,092	286,700	175,000		12,979,504	189,900		86,145		129,803	12,000		1,500,000	700,000	15,413,460			4,000	2,500
	Zoning Board of Adjustment Other Expenses	Redevelopement Other Expenses	Historical Preservation Committee Other Expenses Department of Public Safety	Police	Salaries and Wages	Other Expenses	Acquisition of Vehicles	Fire	Salaries and Wages	Other Expenses	Uniform Fire Safety Act	Salaries and Wages	Office of Emergency Management	Salaries and Wages	Other Expenses	Insurance	General Liability	Worker's Compensation	Employee Group Health	UNCLASSIFIED:	Alcoholic Beverage Control Board	Salaries and Wages	Other Expenses

CITY OF HOBOKEN

# Current Fund

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CITY OF HOBOKEN

# Current Fund

	Year Ended June 30, 2010	ne 30, 2010		
	SFY 2010 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	Reserved
Total Operations Including Contingent-within "CAPS" Detail:	71,507,365	71,369,053	68,489,144	2,879,909
Salaries & Wages	43,540,486	43,504,974	42,393,933	1,111,041
Other Expenses (Including Contingent)	27,966,879	27,864,079	26,095,211	1,768,868
Total:	71,507,365	71,369,053	68,489,144	2,879,909

Unexpended Balance <u>Canceled</u>

9,483,578	10,073,291	9,934,981	Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"
141,498	226,100	250,000	Unemployment Compensation Insurance
3,095,007	3,095,007	3,095,007	Police and Firemans Retirement System
570,200	773,057	617,057	Public Employees Retirement System
4,258,807	4,258,807	4,252,621	Early Retirement Pension Adjustment
33,023	33,024	33,000	Consolidated Police and Firemen's Pension Fund
1,385,043	1,687,296	1,687,296	Social Security System (O.A.S.I.)
			Contribution to:
			STATUTORY EXPENDITURES:
			Deferred Charges
			Municipal within "CAPS"
			(E) Deferred Charges and Statutory Expenditures-

84,602

589,713

202,857

302,253

	***************************************
	3,469,622
	77,972,722
	81,442,344
	81,442,346
Total General Appropriations for	Municipal Purposes within "CAPS"

# Statement of Expenditures - Regulatory Basis

# Current Fund

	Year Ended June 30, 2010	ne 30, 2010			
	SFY 2010 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance <u>Canceled</u>
Operations - Excluded from "CAPS"  Maintenance of Free Public Library(P.L., 1985 Ch. 22)					
Other Expenses  Outline Employees' Reframent System	3,350,003	3,350,003	3,350,003		
Folice and Firemans Retirement system	3,101,291	3,101,291	3,101,291		
Matching Funds for Grants	29,934	29,934		29,934	
Total Other Operations - Excluded from "CAPS"	6,974,099	6,974,099	6,944,165	29,934	40 LANGUAGHAM AND

	8,883		127,000	100,000		50,000		49,000	250,000	10,000	460,531	2,000	80,000	12,377	4,309	323,252	16,000	58,198
	8,883		127,000	100,000		50,000		49,000	250,000	10,000	460,531	2,000	80,000	12,377	4,309	323,252	16,000	58,198
	8,883		127,000	100,000		50,000		49,000	250,000	10,000	460,531	2,000	80,000	12,377	4,309	323,252	16,000	58,198
Public and Private Programs Offset by Revenues	Bullet Proof Vest Partnership	Home Support and Adult Day Care	County Share	CDBG_Child Care Services	Community Development Block Grant - Admin Costs	Salaries and Wages	State Local Cooperative Housing Inspection Program	Salaries and Wages	Multi Service Center	CDBG-City Recreation Program	NJDOT 2010 Aid Program Various Streets	United Cerebral Palsy	NJDOT-Safe Streets to Transit	Drunk Driving Enforcement Fund	Body Armor Replacement Fund	NJEDA Hazardous Site Remediation	Walk Safe Hoboken Pedestrians	Clean Communities

CITY OF HOBOKEN

# Current Fund

2010
30, 2
June
Ended
Year

Unexpended Balance <u>Canceled</u>		
Reserved		29,934 29,934 29,934
Paid or Charged	12,084 20,000 104,454 4,705 82,531 40,261 10,066 50,000 2,500 300,000 4,734 161,000 5,000 399,008 20,015	9,718,073 312,282 9,405,791 9,718,073
Budget after Modification <u>and Transfer</u>	12,084 20,000 104,454 4,705 82,531 40,261 10,066 50,000 2,500 300,000 4,734 161,000 5,000 399,008 2,773,908	9,748,007 312,282 9,435,725 9,748,007
SFY 2010 <u>Budget</u>	12,084 20,000 104,454 4,705 82,531 40,261 10,066 50,000 2,500 300,000 4,734 161,000 5,000 6,000 399,008 20,015	9,748,007 312,282 9,435,725 9,748,007
	Clean Communities CDBG-Family Planning NJ Dept of Health H1N1 Hepatitus B Justice Assistance Grant Municipal Alliance (County Share) Municipal Alliance (City Share) Jubilee Center NJ Health Officers Association Hudson County Open Space 1600 Park Ave Hudson County Open Space 1600 Park Ave Hudson County Cultural and Heritage Energy Efficient Block grant Over Limit/Under Arrest Homeland Security Safer Grant Justice Assistance Grant Total Public and Private Programs Offset by Revenues	Total Operations-Excluded from "CAPS" Detail: Salaries and Wages Other Expenses Total:

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

# Current Fund

Year Ended June 30, 2010

	SFY	Budget after Modification	Paid or		Unexpended
	Budget	and Transfer	Charged	Reserved	Canceled
Capital Improvements-Excluded from "CAPS"  Down Payments on Improvements  Canital Improvement Fund	150 000	150 000		150.000	
Emergency Repairs to Sinatra Park Soccer Fiels	400,000	400,000	361,862	38,138	
Computer Technology Updates	100,000	100,000	74,864	25,136	
Total Capital Improvements Excluded from "CAPS"	650,000	650,000	436,726	213,274	
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,020,000	3,020,000	3,020,000		
Interest on Bonds	2,046,833	2,046,834	2,046,834		
Interest on Notes	1,100,427	1,100,427	1,100,427		
Interest on Tax Anticipation Notes	1,015,000	1,015,000	1,015,000		
Notes Payable	624,000	624,000	624,000		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	212,924	212,924	195,437		17,487
Underground Storage Tank Loan	24,473	24,474	24,474		
Interest on Garage Sale	525,000	525,000	515,454		9,546
Principal on H.C.I.A. Police Car Loan	91,160	91,160	87,868		3,292
Total Municipal Debt Service-Excluded from "CAPS"	8,659,817	8,659,819	8,629,494		30,325

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended June 30, 2010

Unexpended Balance Canceled

	SFY 2010 Budget	Budget after Modification and Transfer	Paid or <u>Charged</u>	Reserved
DEFERRED CHARGES: Overexpenditure of Appropriations	1,619,393	1,619,393	1,619,393	
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,619,393	1,619,393	1,619,393	
Judgements	100,000	100,000	100,000	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	20,777,217	20,777,219	20,503,686	243,208
Subtotal General Appropriations Reserve for Uncollected Taxes	102,219,563	102,219,563 380,000	98,476,408 380,000	3,712,830

30,325

243,208

30,325

30,325

3,712,830

98,856,408

102,599,563

102,599,563

Subtotal General Appropriations Reserve for Uncollected Taxes Total General Appropriations

380,000	1,619,393	2,763,842	2,034,170	92,059,003	98,856,408
Reserve for Uncollected Taxes	Deferred Charges	Grants	Encumbrances	Cash	6A .

# Comparative Balance Sheet - Regulatory Basis

# **Trust Funds**

# June 30, 2010 and 2009

Assets	Ref.	<u>2010</u>	2009
Animal License Fund: Cash	B-1	\$ 13,377	11,532
Other Trust Funds: Cash Deferred Charges-Overexpenditure of Reserves Due from Current Fund	B-1 B-6 B-5	7,785,954 91,332 124,297 8,001,583	6,718,870 91,332 124,297 6,934,499
Section 8 - Housing Assistance Program: Cash	B-1	1,019,199	1,135,511 1,135,511
Community Development Block Grant Trust Fund: Grants Receivable Due from Section 8 - Housing Assistance Program	B-12 B-10	923,450 31,492 954,942 \$ 9,989,101	441,450 31,492 472,942 8,554,484

# Comparative Balance Sheet - Regulatory Basis

# **Trust Funds**

# June 30, 2010 and 2009

	Ref.	<u>2010</u>	<u>2009</u>
Liabilities and Reserves			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	12,589	10,785
Due to State of New Jersey	B-3	788	747
		13,377	11,532
Other Trust Funds:			
Due to State of New Jersey	B-4	97,471	60,071
Reserve for Other Trust Fund Deposits	B-6	7,904,112	6,874,428
		8,001,583	6,934,499
Section 8 - Housing Assistance Program:			
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,711
Due to Community Development Block Grant Trust	B-9	31,492	31,492
Reserve for Sect. 8 - Housing Assistance Program	B-7	939,996	1,056,308
		1,019,199	1,135,511
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	954,942	472,942
		954,942	472,942
		\$ 9,989,101	8,554,484

### Comparative Balance Sheet - Regulatory Basis

### **General Capital Fund**

### Year Ended June 30, 2010 and 2009

	Ref.		<u>2010</u>	2009
<u>Assets</u>				
Cash	C-2/C-3	\$	698,114	4,934,823
Accounts Receivable:				
Port Authority	C-4		1,658,521	2,210,639
NJ DEP	C-4		951,000	951,000
State Highway Facilities Grant	C-4		644,074	644,074
Developer - Maxwell Place Walkway	C-4		101,730	343,063
Economic Development Authority	C-4		877,000	
Green Acres	C-4		2,700,000	
Hudson County Open Space	C-4		550,000	
Deferred Charges to Future Taxation:				
Funded	C-5		38,972,656	42,195,813
Unfunded	C-6	_	56,995,333	39,499,503
		\$	104,148,428	90,778,915
		- =	107,110,1110	
Liabilities, Reserves and Fund Balance				
General Serial Bonds	C-7	\$	37,042,442	40,062,442
Bond Anticipation Notes	C-8		11,372,580	21,960,000
Green Acres Trust Loan Payable	C-9		1,905,742	2,084,425
Underground Storage Tank Loan Payable	C-10		24,472	48,946
Improvement Authorizations:				
Funded	C-11		5,846,924	1,973,309
Unfunded	C-11		32,319,881	4,053,237
Reserve for Encumbrances	C-12		47,043	64,215
Capital Improvement Fund	C-13		125,250	177,000
Reserve for Hazmat Funds - Due from Grant	C-14		17,630	17,630
Reserve for Payment of BAN's	C-14		232,060	117,629
Reserve for Green Acres - 1600 Adams Street	C-14		200,000	200,000
Reserve for COPs Agreement	C-14			5,678
Reconstruction of Pier C			15,000,000	20,000,000
Fund Balance	C-1		14,404	14,404
		\$ _	104,148,428	90,778,915

There were \$45,622,753 and \$17,539,503 of Bonds and Notes Authorized but Not Issued on June 30, 2010 and 2009 respectively (Exhibit C-16).

# Statement of Changes in Fund Balance - Regulatory Basis

# **General Capital Fund**

# Year Ended June 30, 2010

Balance, June 30, 2009		\$ 1	4,404
Balance, June 30, 2010		\$	4,404

# Comparative Balance Sheet - Regulatory Basis

# Parking Utility Fund

# June 30, 2010 and 2009

	Ref.		2010	<u>2009</u>
Assets				
Parking Utility Operating Fund:				
Cash	D-4	\$	2,818,463	1,651,952
Deferred Charge	D-5		20,000	20,000
Due From Parking Utility Capital Fund	D-9	_	1,974,000	1,974,000
Total Parking Utility Operating Fund		_	4,812,463	3,645,952
Capital Fund:				
Fixed Capital	D-6	-	45,157,185	45,157,185
Total Capital Fund		_	45,157,185	45,157,185
		\$	49,969,648	48,803,137

# Comparative Balance Sheet - Regulatory Basis

# Parking Utility Fund

# June 30, 2010 and 2009

Liabilities, Reserves and Fund Balance	Ref.	<u>2010</u>	2009
Parking Utility Operating Fund:			
Appropriation Reserves	D-3	2,088,791	1,318,891
Security Deposts	D-7	233,776	233,776
Accrued Interest on Bonds and Notes	D-8	572,598	780,605
Fund Balance	D-1	1,917,298	1,312,680
Total Parking Utility Operating Fund		4,812,463	3,645,952
Capital Fund:			
Interfund Accounts Payable:			
Due to Parking Utility Operating Fund	D-9	1,974,000	1,974,000
Bond Anticipation Notes	D-11	4,400,000	4,600,000
Serial Bonds Payable	D-12	19,855,000	20,930,000
Improvement authorization:			
Unfunded	D-10	226,000	226,000
Reserve for:			
Amortization	D-13	18,702,185	17,427,185
Total Capital Fund		45,157,185	45,157,185
		\$ 49,969,648	48,803,137

There were \$2,200,000 and \$2,200,000 of Bonds and Notes Authorized But Not Issued on June 30, 2010 and 2009 respectively (Exhibit D-14).

# Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

# **Parking Utility Operating Fund**

# Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and other income:		
Fund Balance Utilized	\$ 300,000	300,000
Revenues Anticipated	13,056,016	13,984,492
Unexpended balance appropriation reserve	1,167,276	344,816
Total revenue and other income	14,523,292	14,629,308
Expenditures:		
Operating	6,899,556	6,064,171
Capital Improvements	445,000	
Debt service	2,379,118	2,597,036
Deferred charges and statutory expenditures	395,000	1,178,372
Surplus (General Budget)	3,500,000	3,488,656
Total expenditures	13,618,674	13,328,235
Excess (Deficit) in revenues	904,618	1,301,073
Fund balance, July 1	1,312,680	311,607
	2,217,298	1,612,680
Decreased by utilization by parking operating budget	300,000	300,000
Balance, June 30	\$ <u>1,917,298</u>	1,312,680

# Statement of Revenues - Regulatory Basis

# **Parking Utility Operating Fund**

# Year ended June 30, 2010

			Excess
	<u>Anticipated</u>	Realized	(deficit)
Surplus Anticipated	\$ 300,000	300,000	
Parking Fees - Continuing Operations	9,327,516	9,428,183	100,667
Permits	1,200,000	778,758	(421,242)
Coupons	400,000	396,427	(3,573)
Interest		1,748	1,748
Boot Releases	550,000	529,516	(20,484)
Meter Income	2,000,000	1,852,384	(147,616)
Rentals	50,000	69,000	19,000
	\$ 13,827,516	13,356,016	(471,500)

# Statement of Expenditures - Regulatory Basis

# **Parking Utility Operating Fund**

# Year ended June 30, 2010

		Appropriations					
			Budget after modifi-	Paid or			
		Budget	cation	charged	Reserved	Canceled	
Operating:							
Salaries and Wages	\$	2,517,000	2,517,000	2,114,800	402,200		
Other Expenses		3,337,016	3,337,016	2,131,842	1,205,174		
Other Expenses-Trustee Fees		40,000	40,000	3,583	36,417		
Other Expenses - Group Health Benefits		1,005,540	1,005,540	1,005,540		***************************************	
Total Operating		6,899,556	6,899,556	5,255,765	1,643,791		
Capital Improvements							
Capital Outlay		445,000	445,000		445,000		
Total Capital Improvements		445,000	445,000		445,000		
Debt Service:							
Payment of Bond Principal		1,075,000	1,075,000	1,075,000			
Payment of Note Principal		200,000	200,000	200,000			
Interest on Bonds		1,025,460	1,025,460	957,938		67,522	
Interest on Notes		287,500	287,500	146,180		141,320	
		2,587,960	2,587,960	2,379,118		208,842	
Deferred Charges and Statutory Expenditures:							
Statutory Expenditures - Contribution to:							
Public Employees' Retirement System		150,000	150,000	150,000			
Social Security		180,000	180,000	180,000			
Unemployment Compensation		65,000	65,000	65,000			
Total Deferred Charges and Statutory							
Expenditures		395,000	395,000	395,000			
Surplus (General Budget)		3,500,000	3,500,000	3,500,000			
	\$	13,827,516	13,827,516	11,529,883	2,088,791	208,842	
Cash Disbursed \$ 10,425,765							
Accrued Interest 1,104,118							
				\$ 11,529,883			

# Exhibit E

# CITY OF HOBOKEN, N.J.

# Comparative Statement of General Fixed Assets-Regulatory Basis

# June 30, 2010 and 2009

		<u>2010</u>	<u>2009</u>
General Fixed Assets:  Land  Buildings  Machinery and equipment	\$	2,295,200 27,987,274 8,168,216	2,295,200 27,987,274 8,168,216
	==	38,450,690	38,450,690
Investment in General Fixed Assets	\$ _	38,450,690	38,450,690

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of Hoboken have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

#### A. Reporting Entity

The City of Hoboken (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The City has the following funds and account group:

<u>Current Fund</u> - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

<u>Trust Funds</u> - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds.

<u>Animal License Fund</u> - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

<u>Payroll Fund</u> - Receipts and disbursements of payroll withholdings that the City collects on behalf of various agencies as their agents.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

<u>Parking Utility Fund</u> — This fund is used to account for revenues and expenditures for operation of the City's parking garage and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities are accounted for in the capital section of the fund.

<u>General Fixed Assets Account Group</u> - To account for all fixed assets of the City. The City's infrastructure is not reported in the group.

#### Basis of Accounting

A modified accrual basis of accounting is followed by the City of Hoboken. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

<u>Miscellaneous Revenues</u> - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

<u>Grant Revenues</u> - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

<u>Budgets and Budgetary Accounting</u> - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and the water utility operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

General Capital Fund Trust Fund Parking Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010, the Council approved additional revenues and appropriations of \$2,763,842 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

<u>Expenditures</u> - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

<u>Encumbrances</u> - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

<u>Appropriation Reserves</u> - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

<u>Compensated Absences</u> - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

<u>Property Acquired for Taxes</u> - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

<u>Interfunds</u> - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

<u>Inventories</u> - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

<u>Cash and Investments</u> - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

<u>Deferred Charges to Future Taxation Funded and Unfunded</u> - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

<u>General Fixed Assets</u> - The City of Hoboken has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

<u>Use of Estimate</u> - The preparation of financial statements requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

<u>Comparative Data</u> - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

#### C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

#### NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

#### Cash

#### Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of June 30, 2010, \$-0-of the City's bank balance of \$34,787,325 was exposed to custodial credit risk.

#### NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

#### **Investments**

#### **Investment Rate Risk**

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

#### Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Citys or bonds or other obligations of the local unit or units within which the City is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

#### Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

#### NOTE 3. MUNICIPAL DEBT

Long-term debt as of June 30, 2010 consisted of the following:

	Balance June 30, 2009	Additions	Reductions	Ending <u>Balance</u>	Amounts Due Within One Year
Bonds Payable: General Obligation Debt Parking Utility Obligation Debt Total Bonds Payable	\$40,062,442 20,930,000 60,992,442	\$	\$3,020,000 1,075,000 4,095,000	\$37,042,442 19,855,000 56,897,442	\$3,170,000 1,125,000 4,295,000
Other Liabilities: Green Acres Trust Loan Underground Storage Tank Loan Pension Deferrals Payable Compensated Absences Payable Total Other Liabilities	2,084,425 48,946 3,234,155 <u>1,621,440</u> \$6,988,966	\$	178,683 24,474 \$203,157	1,905,742 24,472 3,234,155 1,621,440 \$6,785,809	24,472 <u>\$24,472</u>

#### NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
Issued:			
General Bonds, Notes and Loans	\$50,345,236	\$64,155,813	\$67,131,060
Parking Utility Bonds, Notes and Loans	24,255,000	25,530,000	26,750,000
Certificates of Participation	15,320,043	15,320,043	15,320,043
Hoboken Hospital Authority*	49,335,000	49,335,000	<u>49,335,000</u>
Net Debt Issued	<u>139,255,279</u>	<u>154,340,856</u>	<u>158,536,103</u>
Authorized But Not Issued: General Bond, Notes and Loans Parking Utility Bonds, Notes and Loans Total Authorized But Not Issued	45,622,753 2,200,000 47,822,753	17,539,503 <u>2,200,000</u> 19,739,503	17,539,503 2,200,000 19,739,503
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$187,078,032</u>	<u>\$174,080,359</u>	\$178,275,606

<sup>\*</sup> Guaranteed by the City of Hoboken

#### SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .87%.

	Gross Debt	<u>Deductions</u>	Net Debt
Local School District Debt	\$	\$	\$0
General Debt	160,623,032	71,952,485	88,670,547
Utility Debt	26,455,000	26,455,000	0
Ť	\$187,078,032	\$98,407,485	<u>\$88,670,547</u>

Net Debt \$88,670,547 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$10,180,339,551 equals .87%.

#### NOTE 3. MUNICIPAL DEBT, (continued)

#### BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of equalized valuation basis (municipal) Net Debt Remaining borrowing power	\$356,311,884 <u>88,670,547</u> \$267,641,337
The City's long term debt consisted of the following at June 30, 2010:	
General Obligation Bonds - Paid by Current Fund	Amount Outstanding
Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$7,297,442
Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2014	29,745,000
	<u>\$37,042,442</u>
Green Acres Loans - Paid By Current Fund	
The City has four outstanding loan agreements with New Jersey Green of 1983 for the Little League Field, North Park, Castle Point Park and Project as follows:	Acres Bond Act d Multiple Park
The 2000 Little League Field and North Park award is a rate of 2.0%, in the amount of \$1,500,000 with semi-annual loan payments of various amounts made on July 29 and January 29 through January 29, 2016	\$603,173
The 2003 Castle Point Park project award is at a rate of 3.5%, in the amount of \$375,000 with semi-annual loan payments of various amounts made on September 6 and March 6 through March 6, 2022	247,684
The 2005 Multiple Park Project award is at a rate of 4.0%, in the amount of \$1,000,000 with semi-annual loan payments of various amounts made on September 22 and March 22 through March 22, 2023	740,116
The 2008 Multiple Park Development award is at a rate of 0%, in the amount of \$341,000 with semi-annual loan payments of \$8,744 made on August 21 and February 21 through February 21, 2028	<u>314,769</u>
	# 1 00 E 7 4 3

\$1,905,742

#### NOTE 3. MUNICIPAL DEBT, (continued)

#### BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED, (continued)

Underground Storage Tank Loan - Paid by Current Fund	Amount Outstanding
The City has an outstanding loan agreement with New Jersey Economic Development Authority for the removal of underground storage tanks in the amount of \$244,735 with annual payments of \$24,474 made on February 1 through February 2011	<u>\$24,472</u>
Parking Utility Bonds - Paid by Parking Utility Fund	
Obligation Bonds Series 2002 - with an interest rate of 4.00% to 5.00% issued December 31, 1998, due through December 31, 2023	\$19,855,000

The City's principal and interest for bonded debt and loans issued and outstanding as of June 30, 2010 is as follows:

	General Ca	apital Debt	Utility	Debt	
June 30,	Principal	<u>Interest</u>	<b>Principal</b>	<u>Interest</u>	<u>Total</u>
2011	\$3,400,867	\$2,090,173	\$1,125,000	\$942,567	\$7,558,607
2012	3,540,228	1,917,811	1,185,000	884,124	7,527,163
2013	3,743,600	1,735,491	1,250,000	828,984	7,558,075
2014	377,039	1,542,403	1,270,000	3,034,850	6,224,292
2015-2019	22,135,089	6,386,433	7,400,000	949,838	36,871,360
2020-2024	2,803,442	1,503,471	7,625,000		11,931,913
2025-2029	2,149,082	621,160			2,770,242
2030-2035	823,309	<u>146,030</u>	Manager Committee of the Committee of th		969,339
	<u>\$38,972,656</u>	<u>\$15,942,972</u>	<u>\$19,855,000</u>	<u>\$6,640,363</u>	<u>\$81,410,991</u>

#### NOTE 3. MUNICIPAL DEBT, (continued)

#### **Hoboken Municipal Hospital Authority**

On July 8, 2006, the State of New Jersey enacted the Municipal Hospital Authority Law, which authorizes certain cities to establish municipal hospital authorities to acquire and operate urban hospitals.

In August 2006, the City passed an ordinance creating the Hoboken Municipal Hospital Authority ("the HMHA"). The creation of the HMHA was approved by the State's Local Finance Board on August 9, 2006 and is subject to the policies and procedures of the "Local Authorities Fiscal Control Law," P.L. 1983, c313.

On December 21, 2006, the Local Finance Board approved the issuance of debt obligations to provide \$34 million of startup working capital and \$18 million of the initial phase of \$52 million of capital improvements, including construction of a medical office complex, facility remodeling and equipment acquisition. Repayment of the debt is guaranteed by the City.

#### Sale/Leaseback Agreement

On June 29, 2005, the Hudson City Improvement Authority (the "Authority") issued \$8,445,000 aggregate principal amount of its Variable Rate Lease Revenue Bonds, Series 2005 (Hoboken DPW Garage Project) (the "2005 Bonds") for the purposes of acquiring the Department of Public Works Garage located on Garden Street and Observer Highway (the "Facilities") from the City and making various acquisitions for and improvements to the Facilities.

In connection with the issuance of the 2005 Bonds, the City and the Authority entered into a sale and lease purchase agreement dated June 1, 2005 (the "2005 Lease"), by which the City conveyed title to the Facilities to the Authority, and agreed to pay, subject to annual appropriation, certain rentals to the Authority for the use of the Facilities.

By ordinance of the City duly adopted on June 21, 2006, the City determined that it would be in the best interests of the City to authorize the sale of the Facilities by the Authority pursuant to the 2005 Lease and to cause the 2005 Bonds to be refinanced through the issuance and sale of certificates of participation representing proportionate interests in rentals to be paid by the City under a new lease purchase agreement between the City and NWF Leasing, Inc. Dated June 29, 2006.

The City has not located another suitable site for the new public works garage and has not closed on the sale of the DPW garage to the redeveloper and, therefore, desires to extend the scheduled maturity date of the 2006 certificates to July 1, 2010, as well as authorize the increase of the principal amount of the 2006 certificates.

#### NOTE 3. MUNICIPAL DEBT, (continued)

#### Sale/Leaseback Agreement, (continued)

The bonds were refinanced in the amount of \$15,600,000 to include the acquisition of the police garage. It is the City's intention to pay the certificates of participation in full upon the sale of the DPW and police garages. The following is a schedule of the estimated future minimum lease payments under this lease and the present value of the net minimum lease payments for the Current Fund at June 30, 2010:

Year ended June 30, 2010: Total minimum lease payments Less estimated amount representing interest*	\$15,742,480 142,480
Present value of future minimum lease payment	<u>\$15,600,000</u>

<sup>\*</sup>Interest payments are estimated based on calculations at 300 basis points above the 30 day LIBOR rate of 2.48%.

#### NOTE 4. BOND ANTICIPATION NOTES

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On June 30, 2010, the City had \$11,372,580 in outstanding general capital bond anticipation notes. The City also had \$4,400,000 of Parking Utility Capital Bond Anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar year ended June 30, 2010.

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:	\$21,960,000	\$11,372,580	\$21,960,000	\$11,372,580
CEDE & Co.	<u>4,600,000</u>	4,400,000	4,600,000	<u>4,400,000</u>
TD Bank North	<u>\$26,560,000</u>	\$15,772,580	\$26,560,000	<u>\$15,772,580</u>

#### NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the City of Hoboken:

	Balance June 30, 2010	2011 Budget Appropriation	Balance Succeeding Year Budget
Current Fund:			**********
Overexpenditure of Appropriations	\$8,096,962	\$1,619,393	\$6,477,569
Federal and State Grant Fund:			
Expenditures Without Appropriation	135,154	135,154	
Trust Funds:			
Overexpenditure of Workers Compensation	91,332	91,332	
Parking Utility Fund:			
Overexpenditure of Appropriation	20,000	20,000	
	<b>********</b>		
Total Deferred Charges	\$8,343,448	\$1,865,879	\$6,477,569
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#### NOTE 6. PENSION PLANS

#### Description of Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

#### Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. - 44 -

#### NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

#### Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at  $8\frac{1}{4}$  percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The City of Hoboken opted for this deferral in the amount of \$3,234,155.

#### NOTE 6. PENSION PLANS, (continued)

#### Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	<u>PERS</u>	<u>PFRS</u>
2010	\$1,063,071	\$6,196,298
2009	596,190	2,990,344
2008	738,978	5,637,846

#### Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

#### NOTE 6. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

#### NOTE 7. ACCUMULATED VACATION AND SICK PAY

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death or retirement. Employees are not allowed to accumulate unused vacation pay.

The estimated accumulated sick time liability as of June 30, 2010 was \$1,621,440. The estimated liability was not updated for the current year.

#### NOTE 8. FIXED ASSETS

The General Fixed Asset Account Group has not had an updated report since 2004. Therefore, there were no balances recorded in the prior year audit report.

#### NOTE 9. DUE TO/FROM OTHER FUNDS

Balances due from/to other funds at June 30, 2010 consist of the following:

\$124,297	Due to O&M Fund from Current Fund for loan advanced.
1,974,000	Due to Parking Utility Operating Fund from Parking Utility Capital for an improvement authorization.
2,594	Due from State and Federal Grant Fund to Current Fund for grant money, and grants charged off and transferred to departments.
\$2 100 891	

<u>\$2,100,891</u>

It is anticipated that all interfunds will be liquidated during the fiscal year.

#### NOTE 10. RISK MANAGEMENT

The City of Hoboken was self-insured with respect to deductibles from insurance coverage for Workers' Compensation.

The self insurance fund is no longer operational. The deficit will be raised in the subsequent year's budget.

#### NOTE 11. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance June 30, 2010	Balance June 30, 2009
Prepaid Taxes	<u>\$0</u>	<u>\$0</u>
Cash Liability for Taxes Collected in Advance	<u>\$0</u>	<u>\$0</u>

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the City Counsel that the City is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The following matters were identified by City Counsel to have significant risk exposure:

### Monroe Center Development, LLC v. City of Hoboken, et al., United States District Court for the District of New Jersey, Civil Action No.: 2:11-cv-00019 (SRC)

On November 22, 2010, Monroe Center Development, LLC ("Monroe") sued the City of Hoboken; Dawn Zimmer (Mayor); Carol March (President); Ravinder Bhalla (Vice-President); David Meilo (Council at Large); Theresa Castellano (Councilwoman 1<sup>st</sup> Ward); Elizabeth Mason (Councilwoman 2<sup>nd</sup> Ward); Michael Russo (Councilman 3<sup>rd</sup> Ward); Timothy Occhipinti (current Councilman 4<sup>th</sup> Ward); Mike Lenz (former Councilman 4<sup>th</sup> Ward); Peter Cunningham (Councilman 5<sup>th</sup> Ward); Angelo "Nino" Giacchi (Councilman 6<sup>th</sup> Ward); Council of the City of Hoboken; and Mayor and City Council of the City of Hoboken acting as Redevelopment Agency. In accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., Monroe was designated by the City to develop a 5½ acre tract in Hoboken, which property had been the Levelor Blinds factory site, and which is also known as the Northwest Redevelopment Area.

Monroe was significantly behind schedule and seemingly without resources to complete the project. Monroe alleges the City's August 11, 2010, termination of the Redevelopment Agreement between the City and Monroe violated the New Jersey Permit Extension Act, the New Jersey Open Public Meetings Act (OPMA), the New Jersey Redevelopment Act, the United States Bankruptcy Code, and the Plaintiff's procedural due process rights in violation of 42 <u>U.S.C.</u> §1983. Plaintiff also alleges the City failed to "publically account for" Monroe's alleged \$700,000 security deposit.

Monroe seeks specific performance and damages. Monroe primarily seeks a declaration that the termination of its Redevelopment Agreement is void. Under the §1983 Count, however, Monroe does seek attorneys fees and compensatory damages. These damages could include compensation for money Monroe invested into the project, lost profit damages, and the return of the alleged security deposit. We are not aware of whether the City has submitted this claim for insurance coverage, and what the determination has been. We are filing our status reports solely with the City.

At the present time, the City has moved to dismiss the Complaint in lieu of filing an answer. The motion is returnable before the Honorable Stanley R. Chesler, U.S.D.J., on March 7, 2011. It is unlikely, however, that the Court will make a decision that day.

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Monroe Center Development, LLC v. City of Hoboken, et al., United States District Court for the District of New Jersey, Civil Action No.: 2:11-cv-00019 (SRC), (continued)

The City will vigorously defend the lawsuit. At the present time, however, as the Complaint was just recently filed and no discovery has been done, the ultimate outcome of this case and the amount of damages cannot be determined.

#### Pantoja, et al v. City of Hoboken, et al (Christine M. Vanek, Esq.)

- 1. The Nature of Litigation including identification of:
  - a. The proceedings: This is a lawsuit filed by Edwin Pantoja, Cesar Olavarria, James Perez, George Fonseca, and Mario Novo against the City of Hoboken, former Mayor Roberts and Lieutenant Angelo Andriani which is currently pending the United States District Court, District of New Jersey under docket number 07-cv-5113.
  - b. The Claim Asserted: Plaintiffs assert that they were discriminated against because of their race and were subjected to a hostile work environment.

This case has been settled. Settlement documents are being finalized.

#### Munoz v. City of Hoboken, et al (Robert E. Levy, Esq.)

Plaintiff asserts that he was discriminated against because of his race and was subjected to a hostile work environment. These claims are covered by insurance except to the extent they are not found to be intentional torts. Additionally, there are claims for punitive damages which are not covered by insurance. We received a settlement demand from Plaintiff in the amount of \$500,000.00 inclusive of attorney's fees and costs. This demand was rejected and no counter-offer has been made. The parties have concluded fact discovery and are in the expert discovery phase. A settlement conference is scheduled for 3/9/11. No trial date has been scheduled. The allegations are being vigorously defended. It is possible that there will be an unfavorable outcome due to the fact that the New Jersey Law Against Discrimination imposes liability upon an employer for the torts of its supervisory employee. If this matter is tried to a jury there can be no estimating an upper limit on possible or probable losses since the determination of Plaintiff's damages is left to the sole discretion of the jury.

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

LoBue v. Hoboken (Robert E. Levy, Esq.)

In this case a police officer employed by the City of Hoboken is suing the City for claims arising out of his prior litigation concerning a late-submitted application to sit for a promotional exam. Officer LoBue (plaintiff) has exhausted his administrative remedies and now pursues his remaining claims (originally filed as an action in lieu of prerogative writ) as both a tax payer alleging that the City's alterations to the table of organization and subsequent promotions were illegal (now moot) and for personal NJ State Constitutional claims, CEPA claims and employment claims. Officer LoBue vaguely asserts a "continuing pattern of harassment, intimidation, and unlawful retaliation against LoBue because of his complaints to the government officials relating to the police department's illegal activities and unlawful employment practices." LoBue also alleges that because of his whistle blowing activities he was deprived of a "fair and unbiased opportunity to be considered for promotions." LoBue further makes general allegations against the City for violation of the right of free speech, right to petition for redress of grievances and CEPA. The City filed a motion for summary judgment, which was granted as to Plaintiff's original claims arising out of his prior litigation, but was denied with respect to Plaintiff's CEPA claims. A trial has been scheduled for April 13, 2011. These claims are covered by insurance except to the extent they are not found to be intentional torts. Additionally, there are claims for punitive damages which are not covered by insurance. If this matter is tried to a jury there can be no estimating an upper limit on possible or probable losses since the determination of Plaintiff's damages is left to the sole discretion of the jury.

#### Robotic v. Hoboken, et al. (Robert E. Levy, Esq. and Michael A. Cifelli, Esq.)

This is a copyright infringement claim against Hoboken with cross-claims for damages. Fact discovery ended on February 22, 2010. On January 15, 2010, the U.S. Magistrate ordered certain depositions to take place and certain discovery to be produced. We provided our witnesses for deposition, but plaintiff never provided their principal, Gerhard Haag, for deposition. We filed a motion to dismiss the plaintiff's compliant for its failure to produce Mr. Haag for deposition despite the court order requiring it. That motion is pending before Judge Chesler and is returnable on April 5, 2010. We do not expect any activity in the interim.

The Plaintiff in this case ("Unitronics") is an operator of parking garage services. In July of 2006, the City of Hoboken (the "City") replaced its then-vendor of such services ("Robotics") with Unitronics. In December of 2006, Robotic instituted suit against Unitronics and the City of Hoboken for various civil torts arising out of Robotic's dismissal from the Garage. Unitronics was dismissed from the Robotic litigation. During discovery between Robotic and Hoboken, Unitronics voluntarily re-entered the litigation seeking to protect its own interests in the

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Robotic v. Hoboken, et al. (Robert E. Levy, Esq. and Michael A. Cifelli, Esq.), (continued)

protection of its alleged "industry secrets" relative to its parking garage software. Unitronics filed the present suit against Hoboken seeking reimbursement for legal fees and costs it is incurring in its suit against Robotic. The cause of action Unitronics asserts is breach of contract. Unitronics further seeks a declaratory judgment. Unitronics bases their claim for damages upon an indemnification clause in its contract with the City which reads:

COH shall be liable for, and shall indemnify Unitronics, its employees, servants and agents against any and all liability, loss, actions, suits, claims, demands, costs, charges and expenses arising in connection therewith, or proceedings whatsoever, in respect of damage to any property, real or personal, arising out of, in the course of, or by reason of: (i) the performance of the Work, to the extent caused by any act or omission of COH or any of its Sub-Contractors, agents, servants or employees; and (ii) **any action** of the original designers and/or operators of the APG System (including Robotic Parking) and/or any fault and/or malfunctions in the original APG System and/or any regulatory issues applicable to the original APG System and/or any Work requested by COH to be performed hereunder.

The amount of damages sought by Unitronics is \$300,000 and continues to rise with the costs incurred by them in the prosecution of their claim against Robotic. The case is currently in discovery. Unitronics initially sought summary judgment, which was denied. Paper discovery demands have been served and the City has completed a partial document production. We await further responsive documentation to be provided to us from the City for subsequent production. We believe the likelihood of success is relatively high, because the indemnification clause upon which Unitronics bases its claim does not, in our opinion, mandate that the City provide insurance to Unitronics, which is essentially what Unitronics seeks here. Further, even if Unitronics demonstrates that it is entitled to some reimbursement of attorney's fees, they still must demonstrate that the fees were reasonable, which would obviously be an issue in dispute.

Plaintiff's damages found in breach of contract, and are therefore not covered by the JIF.

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

#### City of Hoboken v. 1200 Grand St. Condo Assoc. (8963.4620)

Bankruptcy Court Adversary Proceeding #09-1465 (Bkrtcy Ct DNJ).

This is a separate law suit, originally filed in state court and removed to Bankruptcy Court. If is related to the Tarragon bankruptcies. Plaintiff sues, inter alia, the City for failure to take dedication of and to pay for the electricity used by certain street lights. Plaintiff asserts the following, as-yet unquantified, damages against the City: payment of electricity since in or about 2004; replacement of the non-conforming street lamps; and responsibility for all future payments of electricity to the street lamps. We have not been advised by the client that the claims are covered by insurance. The City has filed Cross-Claims against all Defendants and Third-Party Defendants, including the general contractor in this matter. The case is still in the discovery phase and will likely be such for some time. The City is responding to the litigation but asking that we seek a reasonable settlement if at all possible. We cannot at this point make any evaluation as to the likelihood of success on the merits, nor as to the potential loss, until further discovery is completed. The City will propound discovery on Plaintiffs, all Defendants and Third-Party Defendants.

#### Brigden v. City of Hoboken

This is a multi-layer case which is currently pending under Docket Nos.: HUD-L-3104-10 and HUD-L-931-08 in Superior Court, Hudson County. Plaintiffs assert §1983 civil rights/deprivation of due process claims against the City. In essence, Plaintiffs claim that the zoning board failed to perform its review functions when the City's tax assessor was permitted to construct an addition to his home without the necessary permits and approvals thereby diminishing the value of Plaintiff's home. Plaintiffs seek economic relief for the diminished value of their home or, in the alternative, an injunction requiring the tear-down of the infringing structure. In our opinion, there is no merit to the Plaintiffs' civil rights claims. However, we must advise that under this federal statute, the prevailing party is entitled to attorneys' fees. Due to the convoluted nature of the matter, we expect that Plaintiffs' counsel has billed in excess of the \$150,000 amount and that the City should budget to cover in excess of this amount.

#### SHG Urban Renewal v. City of Hoboken

This case was filed in or around August 20, 2010 in Superior Court, Hudson County, under Docket No. L-4492-10. SHG has asserted breach of contract claims against the City and the City has counterclaimed on the same basis. The matter arises out of SHG's bid to redevelop certain parcels of property within the City limits. At issue, is the return of the \$2.75MM which is being held in escrow as well as attorneys' fees and costs. Notably, while Hoboken's fees are expected to be in the \$250,000 to \$300,000 range, SHG's fees, with private counsel, will likely exceed \$1,000,000. This matter is in the initial stages of discovery and our investigation continues.

#### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

#### Andreula v. City of Hoboken & Belfiore v. City of Hoboken

These cases were filed in Superior Court, Hudson County. Plaintiffs are a group of approximately twelve retired employees who claim that the City breached a contract with them under an early retirement incentive program (ERI). The City has refused to pay Plaintiffs pursuant to the ERI program. While we believe that the City has a valid defense, inasmuch as the ERI program was revoked prior to these retirements, Plaintiffs claim that the City has paid other retired employees under this same program. If that allegation is sustained, the City should be prepared to budget for a financial impact of approximately \$1MM.

#### Firemen & Police Interest Arbitration

City fire and police filed for compulsory interest arbitration in April 2009. While the police have a tentative settlement, the Memorandum of Understanding has not yet been ratified by the unions or the Council. If ratified, we expect that the FMBA will settle with similar amounts. Due to the numerous factors which are to be considered in these matters, particularly the salary and health benefit issues, it is nearly impossible to predict the possible exposure to the City. However, be advised that any settlement reached would include back-pay for all represented employees and therefore would exceed the materiality threshold amount.

Additionally, the following matters for the time in question do not rise to the materiality standard; however when aggregated, pose a potential for liability is excess of \$150,000:

#### Tartagilia v. City of Hoboken

This matter was filed on or about November 16, 2010 in the Superior Court of New Jersey, Law Division, Hudson County under Docket No.: HUD-L-6038-10. The plaintiff is a retired firefighter who is seeking an additional year of vacation pay which is not allowed under the regulations of the Civil Service Commission. Therefore, we believe that plaintiff's claims are without merit. The amount in controversy is approximately \$108,434.00

#### NOTE 13. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY

The Hoboken Parking Authority ("HPA") initiated legal action against the Marina View Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and the Marina View Housing Company No. 1 reached a settlement under which it was agreed that the Marina View Housing Company No. 1 owed \$192,400 for all periods through December 31, 1977. The agreement also reduced the current monthly payment from \$13,336 to \$5,413, effective January 1, 1978.

### NOTE 13. <u>DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY</u>, (continued)

By further agreements dated May 12, 1978 and April 15, 1980, entered into by HPA and the Marina View Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payment have been deferred until such time as there is "surplus cash," as defined in the agreements, available to the Marina View Housing Company No. 1.

The Marina View Housing Company No. 1 has accrued the revised monthly payment since January 1, 1978. The related expense recognized under this agreement, for each of the years ending December 31, 2009 and December 31, 2008, was \$64,950. The aggregate amount due to HPA is \$2,230,216 and \$2,165,266 as of December 31, 2009 and December 31, 2008, respectively.

SUPPLEMENTARY DATA AND SCHEDULES

#### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

_		Year Ended				
_	<u>2010</u>	<u>2009</u>	<u>2008</u>			
Tax Rate	4.490	4.293	4.293			
Apportionment of Tax Rate Municipal County Local School		58,692,958 40,638,379 35,242,372	52,668,589 37,966,774 35,586,250			
Assessed Valuation 2010 2009 2008	\$3,035,024,800	\$2,996,113,900	\$2,939,286,900			

#### COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year Ended		Cash	Percentage
<u>June 30.</u>	Tax Levy	Collections	of Collection
2010	\$142,726,345	\$141,052,131	98.83%
2009	137,639,103	135,654,213	98.56
2008	107,043,886	80,133,482	74.86

#### DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

Year Ended June 30,	Amount of Tax Title Lien	Amount of Delinquent <u>Taxes</u>	Total Delinquent <u>Taxes</u>	Percentage of Tax Levy
2010	\$296,562	\$243,678	\$540,240	0.38%
2009	337,094	379,661	716,755	0.52
2008	489,143	26,603,296	27,092,439	25.30

#### PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

The value of properties acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, was as follows:

Year Ended	
<u>June 30.</u>	<u>Amount</u>
2010	\$2,806,900
2009	2,806,900
2008	2,806,900

#### COMPARATIVE SCHEDULE OF FUND BALANCES

	Year Ended	Balance	Utilized in Budget
	<u>June 30,</u>	<u>June 30,</u>	of Succeeding Year
Current Fund	2010	\$20,185,740	\$500,000
	2009	14,110,824	3,000,000
	2008	2,592,866	-0-
	2007	3,592,866	1,000,000
	2006	2,579,496	2,000,000
Parking Utility Operating	2010	\$1,917,298	\$131,000
	2009	1,312,680	300,000
	2008	311,607	100,000
	2007	586,358	400,000
	2006	1,336,687	1,041,096

#### OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

Name <u>Title</u> <u>Surety Bond</u>

Dawn Zimmer Mayor

Peter Cunningham Council President

Theresa Castellano Council Member

Nino Giacchi Council Member

Elizabeth Mason Council Member

David Mello Council Member

Rayinder Bhalla Council Member

Michael Russo Council Member

Michael Lenz Council Member

Arch Liston Business Administrator

James J. Farina City Clerk

George DeStefano Chief Financial Officer

Sharon Curran Tax Collector \$750,000

Kimberly K. Glatt Municipal Court Judge

Cataldo Pazio Municipal Court Judge

Roseann Gohde Municipal Court Administrator

Michael Mongiello, Matthew Connelly Municipal Prosecutors

A Public Employee Dishonesty Bond, in the amount of \$1,000,000, covers all employees except those required to file statutory bonds.

#### Cash Receipts and Disbursements -Treasurer

#### **Current Fund**

	Current <u>Fund</u>	Federal and State Grant Fund
Balance June 30, 2009	\$ 32,296,693	7,475,512
Increased by Receipts: Tax Collector Miscellaneous Revenue Not Anticipated Due From State of New Jersey Revenue Accounts Receivable Void Checks Tax Overpayments	141,005,756 937,974 49,980 40,846,700 43,317 323,322	
Interfunds Mortgage Receivable Unappropriated Reserves for Grants State and Federal Grants Receivable	30,180 109,395	16,659 1,298,907
	183,346,624	1,315,566
	215,643,317	8,791,078
Decreased by: Current Year Budget Appropriations Appropriation Reserves Tax Anticipation Notes Tax Overpayments County Taxes Payable Revenue Refunds Local District School Taxes Various Reserves	92,059,003 2,261,528 20,000,000 177,151 43,167,566 328,312 36,764,796 63,464	
Interfunds Expenditures without Appropriations Appropriated Reserves for Grants	467,207	30,180 135,154 6,900,479
	195,289,027	7,065,813
Balance June 30, 2010	\$ 20,354,290	1,725,265

#### Schedule of Cash - Change Fund

#### **Current Fund**

Balance June 30, 2009	\$ 1,050
Balance June 30, 2010	\$ 1,050
Analysis of Balance Tax Collector	\$ 1,050

### Schedule of Amount Due from/(to) State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976

#### **Current Fund**

Balance June 30, 2009		\$	49,007
Increased by: Senior Citizens' Deductions Per Tax Billing Veterans' Deductions Per Tax Billing Senior Citizen's, Veteran's, and Disabled Allowed	\$ 19,750 35,125 1,250	-	
			56,125
			105,132
Decreased by:			
Senior Citizen Deductions Disallowed	9,750		
State Share of Senior Citizens and Veteran Deductions Received in Cash	 49,980	~	
		***************************************	59,730
Balance June 30, 2010		\$	45,402

CITY OF HOBOKEN, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

# Year Ended June 30, 2010

Balance, June 30,	70107	759 55,133 55,892	187,786	243,678										
•	Canceled	(55,892)	1,406,230	1,350,338										
Transferred to Tax	Title Liens	NAMES OF THE PERSON OF THE PER	80,198	80,198										
Senior Citizen and Veteran	Deductions		46,375	46,375		Analysis of Tax Levy	139,276,161	\$ 142,726,345	36,764,796	3	43,167,566	79,932,362		62,793,983
Collected	2010	379,661	141,005,756	141,385,417		<u>Analysis ol</u>	69 '	<del>69</del>	\$ 41,513,219 1,654,347	- American A			60,024,966 2,769,017	
	2009	A A A A A A A A A A A A A A A A A A A		,					S				es	
	Levy	Mercenne	142,726,345	142,726,345			se Tax I Taxes		ax Levy: Local District School Tax County Tax County Added and Omitted Taxes				Local Tax for Municipal Purposes Additional Taxes	
Balance, June 30,	2009	759 378,902 379,661	The state of the s	\$ 379,661	A		Tax yield: General Purpose Tax Added/Omitted Taxes		Tax Levy: Local District School Tax County Tax County Added and Omitte				Local Tax for Mu Additional Taxes	
	Year	2008	2010			٠								

\$ 142,726,345

#### Exhibit A-8

#### CITY OF HOBOKEN, N.J.

#### Schedule of Tax Title Liens

#### **Current Fund**

Balance June 30, 2009				\$ 337,094
Increased by: Transfers from Taxes Rec	ceivable			 80,198
				417,292
Decreased by: Canceled Cash Received		\$	120,585 145	120,730_
Balance June 30, 2010				\$ 296,562
				Exhibit A-9
S	schedule of Property Aquin	red for	Taxes	
	Current Fund			
	Year Ended June 30	, 2010		
Balance June 30, 2009				\$ 2,806,900
Balance June 30, 2010				\$ 2,806,900

#### Exhibit A-10

#### CITY OF HOBOKEN, N.J.

#### Schedule of Mortgage Receivable

#### **Current Fund**

#### Year Ended June 30, 2010

Balance June 30, 2009	\$ 537,601
Decreased by: Raised in 2010	109,395
Balance June 30, 2010	\$ 428,206
	Exhibit A-11

#### Schedule of Water Liens Receivable

#### **Current Fund**

Balance June 30, 2009	\$ 46,254	
Decreased by: Liens canceled	9,755	
Balance June 30, 2010	\$36,499	

#### Schedule of Revenue Accounts Receivable

#### Current Fund

#### Year Ended June 30, 2010

<u>Source</u>	Ju	Balance ne 30, 2009	Accrued	Collected	Balance June 30, 2010
Clerk: Licenses and Fees:					
Alcoholic Beverages	\$		319,482	319,482	
Other			231,543	231,543	
Fees and Permits			303,685	303,685	
Zoning Board of Adjustment Fees			127,944	127,944	
Planning Board Fees			9,100 43,588	9,100 43,588	
Rent Leveling Fees Fines and Costs:			45,500	45,566	
Municipal Court		395,833	4,788,365	4,788,365	395,833
Parking Tax		•	1,002,661	1,002,661	
Interest and Costs on Taxes			334,845	334,845	
Interest on Investments and Deposits			155,848	155,848	
Riverview Cablevision Associates			207,631	207,631	
Rents on City Owned Property			78,948	78,948	
SJP Properties - Block A-Phase I			1,071,984 1,071,984	1,071,984 1,071,984	
SJP Properties - Block A-Phase II SJP Properties/Applied - Block B			300,000	300,000	
Applied Development Co South Waterfront - Block C			1,235,072	1,235,072	
1300 Grand Street (Pilot Payment)			763,285	763,285	
Anticipated Parking Utility Operating Surplus			3,500,000	3,500,000	
Grogan Marineview Plaza			742,323	742,323	
Clocktowers			143,718	143,718	
Marion Towers Associates			177,550	177,550	
Church Towers Urban Renewal			540,364 89,046	540,364 89,046	
Columbian Towers Columbian Arms			25,812	25,812	
Hudson Square North			90,343	90,343	
Willow Avenue Associates - 800 - 812 Willow Avenue			34,442	34,442	
1200 Grand Street			1,023,032	1,023,032	
Applied Housing - 1203-1219 Williow Avenue			285,962	285,962	
Applied Housing - 1201-1221 Washington Estates			510,577	510,577	
Applied Housing - 1200-1220 Hudson Estates			553,604	553,604	
Applied Housing - 1301-1309 Bloomfield Estates			185,730 281,832	185,730 281,832	
Applied Housing - Midway 500-508 Adams Street Applied Housing - Elysian Estates			82,478	82,478	
Applied Housing - Church Square			151,173	151,173	
Applied Housing - Eastview Associates			128,802	128,802	
Applied Housing - Westview Associates			200,319	200,319	
Applied Housing - Northvale I - 911-923 Clinton Street			476,284	476,284	
Applied Housing - Northvale II - 901-919 Clinton Street			434,575	434,575	
Applied Housing - Northvale IIIA	Ctraat		66,211 113,466	66,211 113,466	
Applied Housing - Northvale III B - 1106-1014 Clinton Applied Housing - Northvale IV - 58 11th Street	Sticet		20,631	20,631	
1100 Adams Street			577,941	577,941	
800 Jackson Block 86 lot 1			711,788	711,788	
PILOTS Interest			16,063	16,063	•
SID Central			22,061	22,061	
Consolidated Municipal Property Tax Relief Aid			10,964,269	10,964,269	
Energy Receipts Tax			3,553,086	3,553,086	
Uniform Construction Code Fees Hoboken Housing Authority - Public Safety			683,509 83,330	683,509 83,330	
Uniform Fire Safety Act			72,091	72,091	
Reserve, Outside-Duty Police Administration			181,379	181,379	
1001 Jefferson (Pilot Payment)			449,568	449,568	
W Hotel			1,119,542	1,119,542	
Hotel/Motel Occupancy Tax			345,161	345,161	
United Water Concession			168,000	168,000	
	\$	395,833	40,852,027	40,852,027	395,833
		Interes	t on Investments Cash	5,327 40,846,700	
				40.000.000	

40,852,027

### Exhibit A-13

# CITY OF HOBOKEN, N.J.

### Schedule of Deferred Charges

### Current Fund

Description	Balance June 30, 20	09 <u>Added</u>	Raised in 2010 Budget	Balance June 30, 2010
Current Fund: Overexpenditure of Appropriations Federal and State Grant Fund:	\$ 9,716,35	5	1,619,393	8,096,962
Expenditures without Appropriation	<del></del>	135,154	***************************************	135,154
	\$ 9,716,35	5 135,154	1,619,393	8,232,116

### Schedule of Grants Receivable

### **Current Fund**

	Balance, June 30, 2009	2010 Budget Revenue <u>Realized</u>	Collections	Balance, June 30, 2010
Click it Or Ticket	\$ 400			400
Roadway Improvements 2006	17,886			17,886
Public Health Priority Funding	58,796			58,796
State Cooperative Housing Inspection	2,990			2,990
NFL Youth Football Grant	4,000			4,000
Roadway Improvements 8th Street	15,730			15,730
Recycling Tonnage	98,130			98,130
1118 Adams Street Urban Renewal	45,000			45,000
Save the Youth Grant	955			955
Hazardous Discharge Site	19,893			19,893
Home Support and Adult Daycare	66,482		35,424	31,058
Home Support and Adult Daycare	210,225		121,418	88,807
Multi Service Center Replacement	150,000			150,000
Child Care Services	150,000			150,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000			2,000
City Recreation Program	10,000			10,000
Recycling Tonnage	110,438		30,422	80,016
State Aid Highway Street School District	113,000			113,000
Clean Communities - 2008	80,455			80,455
1600 Park Ave Development	300,000			300,000
Smart Growth Planning	15,000			15,000
Public Health Priority Funding	23,363		7,389	15,974
Summer Food Program	35,661		27,437	8,224
State Local Cooperative Housing Inspection Program	77,336		52,333	25,003
Multi Service Center Roof Replacement	200,000			200,000
Child Care Sevices	100,000			100,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000			2,000
City Recreation Program	10,000			10,000
Click it or Ticket	4,000			4,000
State Foresty Green Community Grant	3,000		3,000	
Walk Safe Hoboken Pedestrians	3,600		800	2,800
2008 Roadway Improvement Project	121,122			121,122
Save the Youth	182,317		132,309	50,008
Clean Energy Program	41,692			41,692
Municipal Alliance (County Share)	8,789		8,789	
Jubilee Center	50,000			50,000
Over Limit/Under Arrest	5,000			5,000
2009 Pedestrian Safety/Walk Safe	800			800
Senior Emergency Funds			(2,583)	2,583
Bullet Proof Vest Partnership		8,883	8,883	

### Schedule of Grants Receivable

### **Current Fund**

# Year Ended June 30, 2010

		Balance, une 30, 2009	2010 Budget Revenue <u>Realized</u>	Collections	Balance, June 30, <u>2010</u>
Home Support and Adult Day Care			127,000		127,000
CDBG Child Care Services			100,000	100,000	•
Community Development Block Grant - Admin Costs			50,000	50,000	
State Local Cooperative Housing Inspection Program			49,000	ŕ	49,000
Multi Service Center			250,000	250,000	•
CDBG-City Recreation Program			10,000	10,000	
NJDOT 2010 Aid Program Various Streets			460,531	ŕ	460,531
United Cerebral Palsy			2,000		2,000
NJDOT-Safe Streets to Transit			80,000		80,000
Drunk Driving Enforcement Fund			12,377	12,377	
Body Armor Replacement Fund			4,309		4,309
NJEDA Hazardous Site Remediation			323,252	293,865	29,387
Walk Safe Hoboken Pedestrians			16,000	14,600	1,400
Clean Communities			58,198	58,198	
Clean Communities			12,084		12,084
CDBG-Family Planning			20,000	20,000	
NJ Dept of Health H1N1			104,454	45,810	58,644
Hepatitus B			4,705	4,705	
Justice Assistance Grant			82,531		82,531
Municipal Alliance (County Share)			40,261	33,472	6,789
Jubilee Center			50,000	50,000	
NJ Health Officers Association			2,500	2,500	
Hudson County Open Space 1600 Park Ave			300,000		300,000
Hudson County Cultural and Heritage			4,734	3,550	1,184
Energy Efficient Block grant			161,000	41,692	119,308
Over Limit/Under Arrest			5,000		5,000
Over Limit/Under Arrest			6,000	6,000	
Homeland Security Safer Grant			399,008	356,517	42,491
Justice Assistance Grant	***************************************		20,015		20,015
	\$	2,380,060	2,763,842	1,778,907	3,364,995
Interfund-Comm	nunity	Developme	Received at Block Grant	1,298,907 480,000	

\$<u>1,778,907</u>

### Schedule of Appropriation Reserves

### **Current Fund**

	Balance, June 30, 2009	Balance after Transfers and Encumbrances	Paid or Charged	Balance <u>Lapsed</u>
Salaries and Wages:				
Within "CAPS":				
Mayor's Office	13,650	13,650		13,650
City Council	2,646	2,646		2,646
City clerk	12,897	897		897
Elections	1,365	1,365		1,365
Licensing Bureau	4,127	4,127		4,127
Business Administrator's Office	33,704	8,704		8,704
Purchasing	1,412	1,412		1,412
Personnel and Health Benefits	1,121	1,121		1,121
Constituent Services	4,090	4,090		4,090
Zoning Administration	11,801	11,801		11,801
Uniform Construction Code	1,721	1,721		1,721
Corporation Counsel	26,559	559		559
Revenues and Finance Director	22,216	2,216		2,216
Accounts and Control	2,161	2,161		2,161
Payroll	6,574	6,574		6,574
Information Technology	3,470	3,470		3,470
Tax Collections	57,677	40,677	9,287	31,390
Municipal Court	8,378	8,379		8,379
Public Defender	1,848	1,848		1,848
Office of the Tax Assessor	6,415	6,415		6,415
Department of Human Services				
Directors Office	2,934	2,933		2,933
Rent Leveling	7,070	7,070		7,070
Housing Inspections	677	677		677
Transportation	85,168	85,168		85,168
Health	45,194	49,195		49,195
Senior Citizens	67,861	67,861		67,861
Recreation and Cultural Affairs	70,117	70,117		70,117
Cultural Affairs	9,486	9,486		9,486
Department of Environmental Services	100.064	en 0.4		50.074
Directors Office	100,964	58,964		58,964
Parks	35,460	35,460		35,460
Public Property	24,679	24,679	,	24,679
Central Garage	1,973	1,973	•	1,973
Sanitation	52,907	52,907		52,907
Department of Community Development Directors Office	355	355		355
***************************************				
Grants Management	22,959 8,623	10,959 8,623		10,959 8,623
Planning Board Department of Public Safety	0,023	6,023		0,023
·	589,133	589,133	589,133	
Police Fire			819,170	
	819,170 7,009	819,170 7,009	017,170	7,009
Emergency Management Unclassified	1,009	7,003		7,009
Salary and Wage Adjustment	106,446	106,446	100,000	6,446

### Schedule of Appropriation Reserves

### **Current Fund**

	Balance,	Balance after		T. 4
	June 30, <u>2009</u>	Transfers and Encumbrances	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses: Within "CAPS":				
Mayor's Office	3,170	3,170	664	2,506
City Council	3,695	3,695		3,695
City Clerk	19,639	4,346	767	3,579
Other Expenses-Legal advertising	6,414	9,123	3,643	5,480
Other Expenses-Codification of Ordinances	28,675	6,175		6,175
Other Expenses-Elections	1,360	49,420	49,337	83
Business Administrator	4,169	4,333	164	4,169
Purchasing	438	1,192	755	437
Licensing bureau	4,675	4,675		4,675
Personnel & Health Benefits	114	114		114
Constituent Services	1,800	1,800		1,800
Zoning Administration	10,758	10,758	25.226	10,758
Uniform Construction Code	319,563	326,570	25,336	301,234
Corporation Council - Expert Witness & Appraisal	10,500	10,500	21.620	10,500
Corporation Council	1,880	28,960	21,638	7,322
Corporation Council-Special Counsel	298,424	431,845	224,411	207,434
Revenues and Finance Director	15,420	20,359	7,439	12,920 4,525
Annual Audit	4,525 1,163	4,525 1,163		1,163
Accounts and Controls	434	434		434
Payroll Tax Collections	1,286	3,866	3,490	376
Information Technology	14,405	14,568	163	14,405
Municipal Court	56,258	76,928	23,005	53,923
Public Defender	300	800	700	100
Office of the Tax Assessor	28,014	28,014		28,014
Department of Human Services	•			
Directors Office	1,524	1,674		1,674
Rent Leveling	59,655	60,234	179	60,055
Housing Inspections	979	979	108	871
Transportation	1,030	1,030	60	970
Health	4,251	13,500	13,500	
Senior Citizens	8,349	11,199	3,539	7,660
Recreational & Cultural Affairs	23,920	42,951	32,280	10,671
Cultural Affairs	7,500	7,500		7,500
Department of Environmental Services	***		~1 m	1000
Director's Office	530	1,272	215	1,057
Division of Parks	41,098	52,883	14,671	38,212
Division of Public Property	8,567	36,272	28,353	7,919
Streets and Roads	568	16,352	16,248	104 47,403
Central Garage	50,776	69,305	21,902	
Sanitation	581,421	768,816	377,891	390,925
Department of Community Development	110 221	120 404	17,762	110.724
Directors Office	119,221 660	128,496 660	17,702	110,734 660
Grants Management			2.050	
Waterfront Development	73,116 130,372	73,116 135,919	3,059 11,140	70,057 124,779
Planning Board Zoning Board Of Adjustment	28,580	81,931	22,998	58,933
Redevelopement	81,716	82,916	2,524	80,392
Historical Preservation Society	37	37	2,324	37

### Schedule of Appropriation Reserves

### **Current Fund**

	Balance, June 30, <u>2009</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance <u>Lapsed</u>
Department of Public Safety				
Police	102,484	117,547	18,655	98,892
Police - Acquisition of Police Vehicles	6,328	6,328		6,328
Fire	127,727	160,695	31,751	128,944
Emergency Management	452	981	400	581
Insurance:				
General Liability	70,902	70,902	70,902	
Worker's Compensation	201,971	201,971	88,496	113,475
Employee Group Insurance	103,714	152,592	125,329	27,263
Unclassified				
Alcoholic Beverage Control Board	1,219	1,630	411	1,219
North Hudson Regional Council of Maye	ors 1	1		1
Towing/Storage of Abandoned Vehicles	3,730	3,730	160	3,570
Engineering	6,510	. 27,874	21,941	5,933
Labor Arbitrations	63,978	75,000	33,434	41,566
Municipal Dues and Membership	145	145		145
Stationary and Supplies	1,796	5,010	3,215	1,795
Postage	17,047	17,047		17,047
Office Machines	19,595	20,492	1,349	19,143
Electricity	108,333	104,333	33,480	70,853
Street Lighting	107,393	111,393	109,273	2,120
Gasoline	62,912	62,912		62,912
Fuel	34,193	34,193		34,193
Water and Sewer	3,241	3,241		3,241
Communications	29,228	29,228	25,460	3,768
Telecommunication Equipment	100	100		100
Master Plan - Redevelopment	1,727	1,728		1,728
Excluded from "CAPS":	,			
Contribution to:				
Social Security System (O.A.S.I.)	169	(14,330)	(48,471)	34,141
Public Employees Retirement		. , ,	(70,467)	70,467
Police/Firemen's Retirement	1	1	, , ,	1
Consolidated Police/Firemen's Retirement	34	34		34
Unemployment Compensation	3,220	69,720	69,203	517
Maintenance of Free Public Library	709,779	714,148	709,779	4,369
Matching Funds for Grants	24,603	24,603		24,603
Total Expenditures	\$ 6,155,498	6,769,642	3,669,831	. 3,099,811
* • • • • • • • • • • • • • • • • • • •	<u></u>			
	Appropriation Reserves	\$ 6,155,498		
	Encumbrances	614,144		
	:	\$6,769,642		
	Transferred to Reserve fo	•	1,408,303	
		Cash	2,261,528	
		,	3,669,831	

# Exhibit A-16

# CITY OF HOBOKEN, N.J.

# Schedule of Promissory Note - H.C.I.A.

### **Current Fund**

# Year Ended June 30, 2010

Balance June 30, 2010	\$ 428,206
Decreased by: Funded in 2010	109,395
Balance June 30, 2009	\$ 537,601

Exhibit A-17

# Schedule of Tax Anticipation Notes Payable

### **Current Fund**

Balance June 30, 2009	\$ 20,000,000
Decreased by: Cash Disbursements	\$20,000,000_

### Exhibit A-18

# CITY OF HOBOKEN, N.J.

# **Schedule of Tax Overpayments**

# **Current Fund**

Balance June 30, 2009	\$ 177,151
Increased by: Collections	 323,322
	500,473
Decreased by: Refunds	 177,151
Balance June 30, 2010	\$ 323,322

# Schedule of Interfunds Due from/(to) Various Funds

### **Current Fund**

<u>Fund</u>		Balance June 30, 2009	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2010</u>
Federal and State Grant Fund	\$	32,774		30,180	2,594
Trust Funds:					
O&M Trust Loan		(124,297)			(124,297)
County of Hudson Open Space			460,963		460,963
Hoboken Library			6,244		6,244
	_	(91,523)	467,207	30,180	345,504
Interfund Receivable Interfund Payable		32,774 (124,297)			469,801 (124,297)
	\$ _	(91,523)			345,504
Analysis of Changes Receipts Disbursements			\$ 467,207	30,180	
			\$ 467,207	30,180	

# Exhibit A-20

# CITY OF HOBOKEN, N.J.

# **Schedule of County Taxes Payable**

# **Current Fund**

# Year Ended June 30, 2010

Increased by: Levy Open Space Tax Added and Omitted Assessments	\$	40,915,660 597,559 1,654,347			
			***	43,167,566	
Decreased by: Payments			\$	43,167,566	
				Exhibit A-21	
Schedule of Local District School Taxes Payable					
Current	Fund	I	i.		
Year Ended Ju	ne 3(	), 2010			
Balance June 30, 2009			\$	9	
Increased by: Levy				36,764,796	
				36,764,805	
Decreased by: Payments				36,764,796	

Balance June 30, 2010

# Schedule of Various Reserves

### **Current Fund**

<u>Program</u>	Balance, June 30, 2009	Increased <u>by</u>	Decreased <u>by</u>	Balance, June 30, <u>2010</u>
Ragamuffin Parade \$	7,306			7,306
Maintanence of Free Public Library with State Aid	63,464		63,464	
Reserve for Retoractive Pay		1,408,303		1,408,303
911 Relief Fund	49,248			49,248
D.A.R.E.	8,964			8,964
Sinatra Park	23,241			23,241
Public Assistance	8,714			8,714
PILOT - County Share	67,077			67,077
Other	1,029			1,029
Detention Center	1,280			1,280
Master Plan	113,268			113,268
\$ =	343,591	1,408,303	63,464	1,688,430
Disbursements			63,464	
Appropriation Reserves		1,408,303		
		1,408,303	63,464	

# Schedule of Unappropriated Reserves

# Federal and State Grant Fund

<u>Program</u>		Balance, June 30, 2009	Received	Balance, June 30, 2010
Alcohol Education and Rehab	\$	1,253	955	2,208
Senior Emergency Funds	•	3,059		3,059
Public Health Priority Funding		9,703	8,024	17,727
Bullet Proof Vest		14,377	,	14,377
Adult Day Care		27,055		27,055
Summer Food Program		25,728		25,728
Over the Limit Under Arrest		4,700		4,700
Domestic Violence		1,250		1,250
Public Health Care		5,291		5,291
Public Healthcare Management Caregivers		118,921		118,921
Walk Safe Hoboken Pedestrians		8,000		8,000
Comp Prog Elderly		674		674
Clean Communities		97,388		97,388
Cultural Affairs/Tourism			7,680	7,680
Fire Department Grant		47,439		47,439
	\$_	364,838	16,659	381,497

### Exhibit A-24

# CITY OF HOBOKEN, N.J.

# Schedule of Interfunds Due from/(to) Various Funds

# Federal and State Grant Fund

	Balance, June 30, 2009	Increase	Balance, June 30, <u>2010</u>
Current Fund	\$ (32,774)	30,180	(2,594)

### Schedule of Appropriated Reserves for Grants

### Federal and State Grant Fund

	Balance,	0010.0		Balance,
Grant	June 30, <u>2009</u>	2010 Grants Budgeted	Expenditures	June 30, <u>2010</u>
Section 8 Housing Assistant Admin	125,000			125,000
Walk Safe Pedestrian Grant	1,379			1,379
Roadway improvements 8th Street	41,649		4,171	37,478
Save the Youth Grant	3			3
NJ 2007 Body Armor Replacement Grant	3,098		1.40	3,098 6
Clean Communities 2006	154 8,000		148	8,000
NJ Youth Football Grant			81,816	8,000
Special Purpose Fund-Observer Highway Firehouse	81,816 191,779		01,010	191,779
Roadway Improvements 2006 Roadway Improvements 2007	240,335			240,335
NJDCA Urban Renewal 1118 Adams Street	45,000			45,000
Sept 11 Memorial	13,000		13,000	,
NJ Hazardous Discharge	3,687			3,687
Hudson County Open Space Grant	2,000,001		2,000,000	1
Hazmat Donations	36,616			36,616
Home Support and Adult Daycare	66,482			66,482
Home Support and Adult Daycare	210,225			210,225
Multi Service Center Replacement	150,000			150,000
Child Care Services	150,000			150,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000			2,000
City Recreation Program	10,000			10,000
Recycling Tonnage	136,132		2,485	133,647
Body Amor Replacement Fund	5,350		5,349	1
Alcohol Education and Rehab	18,224			18,224
COPS in School	22,800			22,800
Body Amor Replacement Fund	5,763			5,763
State Forestry Green Community Grant	2,000			2,000
Adult Day Care	10,861			10,861
Drunk Driving Enforcement Grant	10,624			10,624 5,142
Drunk Driving Enforcement Grant	5,142 125,555			125,555
Downtown Revitalization Program	90,893			90,893
Public Healthcare Management Caregivers	6,274			6,274
Summer Food Program Computer Program for the Elderly - DYFS	40,000			40,000
Clean Communities - 2007	5,169			5,169
12 Street Project and 20001 Clinton Street	18,497			18,497
2005 Roadway Improvement Project	114,926			114,926
State Aid Highway Hudson Place 2003	32,585			32,585
State Aid Highway Hudson Place 2004	19,144			19,144
State Aid Highway Street School District	125,551			125,551
Fire Department Grant	36,000			36,000
Clean Communities 2008	28,197			28,197
1600 Park Ave Development	300,000			300,000
Smart Growth Planning	60,000			60,000
Senior Emergency Funds	2,946			2,946
2008 Pedestrian Safety Walk Safe	941			941
1600 Park Ave (Acquisiton)	2,300,000		2,300,000	
1600 Park Ave (Land and water)	1,513,420		1,513,420	
Public Health Priority Funding	10,821		4,986	5,835
Summer Food Program	35,661		30,303	5,358
Home Support and Adult Day Care	25,400			25,400
Multi Service Center Roof Replacement	200,000			200,000
Child Care Sevices	100,000			100,000 20,000
Family Planning Services	20,000			20,000
United Cerebral Palsy	2,000 7 <b>Q</b> _			2,000

### Schedule of Appropriated Reserves for Grants

### Federal and State Grant Fund

### Year Ended June 30, 2010

	Balance, June 30,	2010 Grants		Balance, June 30,
Grant	2009	Budgeted	Expenditures	2010
City Recreation Program	10,000	Daugotou	Lapentatures	10,000
Click it or Ticket	4,000			4,000
Body Armor Replacement Fund	15,374		8,107	7,267
State Foresty Green Community Grant	3,000		3.000	,,20,
Walk Safe Hoboken Pedestrians	3,600		3,000	3,600
Clean Communities	36,920			36,920
Clean Communities	41,041		30,037	11,004
2008 Roadway Improvement Project	145,693		81,388	64,305
Save the Youth	160,963		108,020	52,943
Clean Energy Program	41,692		41,692	02,7 10
State Library Aid	23,472		23,472	
Jubilee Center	50,000		,	50,000
Over Limit/Under Arrest	200			200
Fire Department Safer Grant	90,905			90,905
Bullet Proof Vest Partnership	70,700	8,883		8,883
Home Support and Adult Day Care		127,000	69,400	57,600
CDBG Child Care Services		100,000	100,000	,
Community Development Block Grant - Admin Costs		50,000	50,000	
State Local Cooperative Housing Inspection Program		49,000	49,000	
Multi Service Center		250,000	250,000	
CDBG-City Recreation Program		10,000	10,000	
NJDOT 2010 Aid Program Various Streets		460,531	12,473	448,058
United Cerebral Palsy		2,000	,.,.	2,000
NJDOT-Safe Streets to Transit		80,000		80,000
Drunk Driving Enforcement Fund		12,377	6,435	5,942
Body Armor Replacement Fund		4,309	*,	4,309
NJEDA Hazardous Site Remediation		323,252	9,925	313,327
Walk Safe Hoboken Pedestrians		16,000	12,000	4,000
Clean Communities		58,198	,	58,198
Clean Communities		12,084		12,084
CDBG-Family Planning		20,000	20,000	, ,
NJ Dept of Health H1N1		104,454	22,980	81,474
Hepatitus B		4,705	, .	4,705
Justice Assistance Grant		82,531		82,531
Municipal Alliance (County Share)		40,261	18,411	21,850
Jubilee Center		50,000	50,000	•
NJ Health Officers Association		2,500	2,200	300
Hudson County Open Space 1600 Park Ave		300,000	31,519	268,481
Hudson County Cultural and Heritage		4,734	4,734	
Energy Efficient Block grant	•	161,000	•	161,000
Over Limit/Under Arrest		5,000	5,000	
Over Limit/Under Arrest		6,000	6,000	
Homeland Security Safer Grant		399,008	399,008	
Justice Assistance Grant		20,015		20,015
	\$ 9,457,960	2,763,842	7,380,479	4,841,323
		Cash	\$ 6,900,479	

Cash \$ 6,900,479

Due to Community Development Block Grant fund 480,000

\$ 7,380,479

# CITY OF HOBOKEN

### Schedule of Cash - Treasurer

### **Trust Funds**

		Animal License <u>Fund</u>	Other Trust <u>Funds</u>	Section 8 - Housing Assistance Program
Balance - June 30, 2009	\$_	11,532	6,718,870	1,135,511
Increased by:				
Animal License Fees		8,357		
Due to State of New Jersey -				
Dog License Fees		1,883	11.105	
Marriage Licenses			11,185 50	
Burial Permits Construction Code DCA Fees			68,029	
Various Reserves			8,746,294	
Reserve for Section 8 - Housing Assis. Program			0,110,2001	466,346
Reserve for Section 8 - Housing Assis. Program Inter	rest_	-u	**************************************	14,508
	-	10,240	8,825,558	480,854
	•••	21,772	15,544,428	1,616,365
Decreased by:				
Reserve for Animal License Expenditures		6,553		
Due to State of New Jersey		1,842	41,864	
Various Reserves			7,716,610	
Section 8 - Housing Assistance Program	-			597,166
	_	8,395	7,758,474	597,166
Balance - June 30, 2010	\$_	13,377	7,785,954	1,019,199

# CITY OF HOBOKEN

# Schedule of Reserve for Expenditures - Animal License Fund

### **Trust Funds**

Balance - June 30, 2009		\$ 10,785
Increased by:		
Dog license fees		 8,357
		19,142
Decreased by:		
Expenditures		 6,553
Balance - June 30, 2010		\$ 12,589
	License Fees Collected	
	2009	9,860
	2008	 8,360
		\$ 18,220

# CITY OF HOBOKEN

### Schedule of Due to State of New Jersey-Animal License Fees

### **Trust Funds**

Balance - June 30, 2009	\$ 747
Increased by:	
2010 Fees Collected	 1,883
	2,630
Decreased by:	
Payments to State of New Jersey	 1,842
Balance - June 30, 2010	\$ 788

# CITY OF HOBOKEN

# Schedule of Due to State of New Jersey Trust Funds

	Dι	Due to/(from)			
		Balance			Balance
	<u>(</u>	6/30/2008	Increased	<u>Decreased</u>	<u>6/30/2009</u>
Marriage Licenses	\$	26,710	11,185	11,533	26,362
Burial Permits		100	50	110	40
Construction Code DCA Fees	<del></del>	33,261	68,029	30,221	71,069
		60,071	79,264	41,864	97,471
		sh Receipts	79,264		
	Cash Dis	bursements		41,864	
			79,264	41,864	•

# CITY OF HOBOKEN

### Schedule of Amount Due to (from) Current Fund Trust Funds

	Due to/(from) Balance <u>6/30/2010</u>	Due to/(from)  Balance 6/30/2009
Other Trust Fund: O & M Fund	(124,297)	(124,297)
	\$ (124,297)	(124,297)

### CITY OF HOBOKEN

### Schedule of Miscellaneous Reserves

### Trust Funds

	Balance, June 30, 2009	Increased	Decreased	Balance, June 30, 2010	Over- expenditures
	2009	mcreaseu	Decreased	2010	CAPCHORUTES
Reserve for:					
CD's Cultural Affairs	\$ 511			511	
150th Anniversary	8,506	1,639		10,145	
Community Resource Account	28,408	495	1,456	27,447	
Cultural Affairs Account	213,074	256,283	151,825	317,532	
Hurricane Relief Fund	501			501	
Police Outside Employment	85,516	1,604,971	1,584,885	105,602	
Hoboken PAL	6,330	12,585	10,187	8,728	
Hoboken PAL Hockey	2	14.467	16 720	2	
Police 5K Run	75	16,657	16,732	35,153	
OEP Investment	35,153			•	
Police Department Investigation	1,001			1,001 90,043	
Police Memorial Fund	90,043 81			90,043	
Girls Softball League	7			7	
Fire-Turkeys Sept. 11th Memorial Fund	10,153			10,153	
Shade Tree Commission	10,133			10,133	
Unclaimed Bail	26,547	4,580	250	30,877	
Municipal Court Public Defender	3,022	2,064		5,086	
TAM Restaurant	5,266	2,00		5,266	
Ragamuffin Parade	4,543	2,125	5,183	1,485	
Save the Youth	1,489	-,	-,	1,489	
Fire Victims - Mc Swiggans	1,140	259		1,399	
Fire Education Fund	39,298	68,824	37,896	70,226	
Fire Regular Penalties	44,650	8,560	2,520	50,690	
Police-Left	44,928	81,253	13,217	112,964	
POAA Trust	734,378	91,239	14,870	810,747	
Municipal Court-OT-POAA		66,694	49,222	17,472	
Tax Collector Premiums		783,892	68,591	715,301	
Police Safe Team Driving		500		500	
St Patricks Day Parade		8,250	2,000	6,250	
Comp Services		204,826	202,574	2,252	
Open Space	842,138	753,506	149,904	1,445,740	
Escrow	674,375	307,560	372,842	609,093	
Tax Sale Premiums	1,610,594	6,600	1,143,173	474,021	
Law Enforcement	5,813	8,366	3,281	10,898	
O & M Fund	1,728,651	548,789	1,342,965	934,475	
O & M Fund-Hoboken South Waterfront		783,693	67,021	716,672	
O & M Fund-W Hotel	20.066	245,246		245,246 30,966	
Wanaque RCA Escrow Green Township RCA Escrow	30,966 6,458	31		6,489	
Demarest RCA Escrow	1,384	31		1,384	
North Haledon RCA Escrow	33,358	116		33,474	
Hazmat	145,342	414	5,234	140,522	
Redevelopement	136,349	9,783	90,422	55,710	
OCA Allied Risk	73,966	-,	* - <b>,</b>	73,966	
Board Inspection	1,650	5,250		6,900	
Collector of Revenue Redemption Trust	186,447	2,833,756	2,362,692	657,511	
Workers Compensation	,	• •			91,332
Anticipated Revenue	77	62	20	119	
Municipal Superiors Association	12,237	27,426	17,648	22,015	
	\$ 6,874,428	8,746,294	7,716,610	7,904,112	91,332
Casi	Cash Receipts Disbursements	8,746,294	7,716,610		
		8,746,294	7,716,610		

47,711

### CITY OF HOBOKEN

# Section 8 - Housing Assistance Program

# Schedule of Reserves for Section 8 - Housing Assistance Program

# Year ended June 30, 2010

Balance - June 30, 2009	\$	1,056,308
Increased by:		
Interest Earnings		14,508
Program Receipts	_	466,346
		1,537,162
Decreased by:		
Program Expenditures	_	597,166
Balance - June 30, 2010	\$ _	939,996
		Exhibit B-8
Section 8 - Housing Assistance Program		
Schedule of Due to Grantor		
Year ended June 30, 2010		
Balance - June 30, 2009	\$	47,711

Balance - June 30, 2010

### CITY OF HOBOKEN

# **Section 8 - Housing Assistance Program**

# Schedule of Due to Community Development Block Grant Trust Fund

### Year ended June 30, 2010

Balance - June 30, 2009 \$ 31,492

Balance - June 30, 2010

Exhibit B-10

31,492

# Community Development Block Grant Trust Fund

# Schedule of Due from Section 8 - Housing Assistance Program

# Year ended June 30, 2010

Balance - June 30, 2009 \$ 31,492

Balance - June 30, 2010 \$ 31,492

### CITY OF HOBOKEN

# Community Development Block Grant Trust Fund

# Schedule of Reserve for Community Development Block Grant

### Year ended June 30, 2010

Balance - June 30, 2010	\$	954,942
Increased by: Grant Awards	-	482,000
Balance - June 30, 2009	\$_	472,942

### Exhibit B-12

### **Community Development Block Grant Trust Fund**

# Schedule of Community Development Block Grant Receivable

Balance - June 30, 2009	\$_	441,450
Increased by: Grant Awards		482,000
	,	
Balance - June 30, 2010	\$_	923,450

# Exhibit C-2

# CITY OF HOBOKEN, N.J.

# Schedule of Cash

# **General Capital Fund**

Balance, June 30, 2009			\$	4,984,823
Increased by Receipts:				
Grants	\$	793,451		
Reserves		114,431		
Bond Anticipation Notes		850,000		
	****		_	÷
				1,757,882
				6,742,705
Decreased by Disbursements:				
Improvement Authorizations		924,698		
Reserves		5,678		
Bond Anticipation Notes		5,050,000		
Reserve for Encumbrances		64,215		
			-	
			**********	6,044,591
Balance, June 30, 2010			\$	698,114

### Exhibit C-3

# CITY OF HOBOKEN, N.J.

### **Analysis of Cash**

# General Capital Fund

Reserve for Rec Reserve for Pay Reserve for End Capital Improv Fund Balance Grants Receiva	ment of Notes cumbrances ement Fund	\$	15,000,000 449,690 47,043 125,250 14,404 (7,482,325)
Improvement A	authorizations:		
Ordinance			
<u>Number</u>	Improvement Description		
P184	Acquisition of Fire Apparatus		143,943
R13	Reconstruction & Renovation of Certain Piers		1,020,628
	Bond Ordinance for Tax Overpayment Refunds		(267,836)
	Creation of North Park		(371,667)
R85	Creation of Castle Point Park		185,830
R301	Multi-Service Center		8,445
R301	Elysian Park		106
R302	Improvements - City Hall		121,527
R433	Removal & Closure of Underground Storage Tanks		53,492
DR42	Various Projects and Improvements:		
	Underground Storage Tanks		1,317
	Police Headquarters		54,250
	Acquisition of Fire Engines		3,550
	Acquisition of Equipment and vehicles		894
	Improvement to City Parks		8,930
DR304	Land Parcel Acquisition		151,592
DR233	Improvements of Buildings and Equipment		255,338
DR621/337	Various Road Improvements		(232,917)
DR326	Reconstruction of Pier C		(13,468,525)
	Construction of Waterfront Walkway		745,305
Z-18	Improvements to 1600 Park and Hoboken Cove		4,078,100
Z-23	Acquisition of Fire Apparatus		30,500
Z-33	Various Capital Improvements		21,250
		ď	Z00 114
		<b>a</b>	698,114

### Schedule of Grants Receivable

### General Capital Fund

Ordinance <u>Number</u>	Description	<u>J</u> 1	Balance, une 30, 2009	Awarded	Decreased	Balance, June 30, 2010
DR-326	Port Authority: Reconstruction of Pier C	\$	2,210,639		552,118	1,658,521
DR-326	New Jersey Department of Environmental Protec Reconstruction of Pier C	tion:	951,000			951,000
	New Jersey State Highway Facilities Grant: Reserve for Maxwell Place Walkway		644,074			644,074
	Developer's Share: Reserve for Maxwell Place Walkway		343,063		241,333	101,730
Z-18	State of New Jersey Green Acres: 1600 Park Avenue			1,700,000		1,700,000
Z-18	Hoboken Cove			1,000,000		1,000,000
Z-18	County of Hudson Open Space Trust Fund: 1600 Park Avenue			200,000		200,000
Z-18	Hoboken Cove .			350,000		350,000
Z-18	Economic Development Authority: Hoboken Cove	-M-1	denne ade adel de de de la complexión de del de de de la complexión de del de	877,000	Machanda and a state of a summable	877,000
		****	4,148,776	4,127,000	793,451	7,482,325

### Schedule of Deferred Charges to Future Taxation - Funded

# **General Capital Fund**

Balance, June 30, 2009			\$-	42,195,813
Decreased by:				
Bonds Paid by Current Year		•		
Budget Appropriations	\$	3,020,000		
Green Acres Loans Paid by Current				
Current Year Budget Appropriations		178,683		
Underground Storage Tank Loans Paid by Cur	rrent			
Year Budget Appropriations		24,474	_	
			-	
				3,223,157
			_	
Balance, June 30, 2010			\$	38,972,656

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended June 30, 2010

0, 2010 Unexpended Improvement Authorization	817,083 1,531,475 579,500 12,000,000 403,750 15,950,000	31,281,808	32,319,881	
Analysis of Balance - June 30, 2010 ced by nnd Duexp pation Expenditures Author	371,667 267,836 232,917 13,468,525	14,340,945		80nd Anticipation 572,500 58,643 151,592 231,309 24,029
Analysis of Financed by Bond Anticipation Notes	820,000 4,280,000 3,000,000 422,580 2,000,000 850,000	11,372,580	Improvement Authorizations - Unfunded	Less: Unexpended Bond Anticipation Note Proceeds:  e R13 572,500  DR42 58,643  DR233 151,592  DR233 231,309  DR233 24,029
Balance June 30, 2010	820,000 371,667 267,836 4,280,000 3,000,000 422,580 2,000,000 1,900,000 15,000,000 15,000,000 12,000,000 12,000,000	56,995,333	Improv	L Ordinance
Eunded	40,000 420,000 300,000 677,420 5,000,000	11,437,420	11,437,420	11,437,420
Authorizations	579,500 12,000,000 403,750 15,950,000	28,933,250	₩,	φ." 
Balance June 30, 2009	860,000 371,667 267,836 4,700,000 3,300,000 1,100,000 7,000,000 1,900,000	39,499,503	Paydown of BANs	
Improvement Description	General improvements:  Reconstruction & Renovation of Certain Piers Creation of North Park Bond Ordinance for Tax Overpayment Refunds Various Projects and Improvements Improvements of Buildings and Equipment Acquisition of Vehicles and Equipment Land Parcel Acquisition Various Road Improvements Reconstruction of Pier C Acquisition of Fire Apparatus Castle Point and Sinatra Park Waterfront Walkway Various Capital Improvements Acquisition of Public Works, Garage	Θ΄.		
Ordinance <u>Number</u>	R13  DR42  DR233  DR233  DR233  DR233  DR236  Z-23  Z-30  Z-30  Z-40			

\$ 31,281,808

1,038,073

CITY OF HOBOKEN, N.J.

Schedule of General Serial Bonds Payable

# General Capital Fund

Year Ended June 30, 2010

Balance	June 30, 2010	7,297,442	29,745,000
	Decreased	50,000	2,970,000
Balance	June 30, 2009	7,347,442	32,715,000
Interest	Rate	5.45% 5.45% 6.00% 6.00% 6.00% 6.00% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 7.14% 7.14% 7.14%	5.45% 5.45% 5.45% 6.00%
Maturitics of Bonds Outstanding, June 30, 2010	Amount	80,000 105,000 140,000 185,000 225,000 275,000 390,000 360,000 440,000 475,000 525,000 525,000 525,000 525,000 527,000	3,090,000 3,250,000 3,415,000 19,990,000
Maturi Bonds Ou June 30	Date	04/01/11 04/01/12 04/01/13 04/01/15 04/01/15 04/01/19 04/01/22 04/01/22 04/01/23 04/01/25 04/01/25 04/01/25 04/01/25 04/01/25 04/01/25 04/01/25 04/01/25 04/01/25	02/01/11 02/01/12 02/01/13 02/01/14
Original	Issue	7,382,000	38,325,000
Date of	Issue	Aug. I, 2003 \$	Nov. 1, 2003 \$
	Purpose	Early Retirement Pension Refunding Bonds	Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003B

3,020,000

\$ 40,062,442

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended June 30, 2010

Balance June 30, 2010 820,000 5,422,580 4,280,000 850,000	11,372,580	
Decreased 860,000 11,400,000 4,460,000 5,000,000	21,720,000	10,522,580 5,000,000 5,050,000 523,420 624,000
Increased 820,000 5,422,580 4,280,000 850,000	11,372,580	\$ 10,522,580 850,000 \$ 11,372,580
Balance June 30, 2009 \$ 860,000 11,400,000 4,460,000 5,000,000	\$ 21,720,000	for Pier C ppropriation
Interest Rate 1.75% 1.75% 1.75% 1.75% 1.75% 4.25%		Renewed Resewrve Cash Other Budget A
Date of Maturity 9/4/2010 9/4/2010 9/4/2010 9/4/2010		
Date of   Issue   1/21/2004   1/30/2006   4/18/2006   9/9/2009   12/28/2007		
Date of Original Issue 3,890,000 11,400,000 4,987,500 850,000		
Improvement Description Various Improvements Acquisition of Land, Vehicles & Equipment Improvement to City Buildings & Parks Various Road Improvements Reconstruction of Pier C		

Ordinance Number R-13 DR-233 DR-42 DR-388 DR326

# Schedule of Green Acres Loans Payable

# **General Capital Fund**

Balance, June 30, 2009	\$	2,084,425
Decreased by:		
Payment		178,683
Balance, June 30, 2010	<u></u>	1,905,742

CITY OF HOBOKEN, N.J.

Schedule of Underground Storage Tank Loan Payable

General Capital Fund

	Balance	June 30, 2010	24,472	***************************************	24,472
		Decreased	24,474		24,474
	Interest Balance	June 30, 2009	48,946	***************************************	48,946
	Interest	Rate	*		<i>6</i> 9
Maturities of Loans Outstanding,	, 2010	Amount	24,472		
Maturi Loans Out	June 30	Date	02/01/11		
	ssue	Amount	244,735		
	nai Is		69		
	Origi	<u>Date</u> Amou	02/01/02 \$		
			Remediation of Underground Storage Tank		

\* - Interest free

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended June 30, 2010

nce , 2010	Unfunded		572,500								1,317	49,500	1,932	894	5,000	151,592	231,309	24,029	817,083	1,531,475			579,500	12,000,000	403,750	15,950,000	32,319,881
Balance June 30, 2010	Funded	143,943	448,128	185,830	8,445	106	121,527	53,492				4,750	1,618		3,930						745,305	4,078,100	30,500		21,250	The second section of the second section second section second section second section	5,846,924
Paid or	Charged		299									5,750	3,485	(894)	5,000	4,415	112,921	(24,029)	692	573,501	241,333	48,900				***************************************	971,741
	Authorizations																					4,127,000	610,000	12,000,000	425,000	15,950,000	33,112,000
nce , 2009	Unfunded		572,500								1,317	49,500	1,932		5,000	156,007	344,230		817,775	2,104,976						The state of the s	4,053,237
Balance June 30, 2009	Funded	143,943	448,795	185,830	8,445	106	121,527	53,492				10,500	5,103		8,930						986,638	-					1,973,309
Ordinance	Amount	000,006	4,200,000	4,175,000	57,550	11,300	156,000	244,735		945,000	105,000	210,000	840,000	367,500	420,000	10,000,000	3,465,000	1,155,000	2,000,000	20,000,000	11,621,723	4,127,000	610,000	12,000,000	425,000	15,950,000	<del>s</del> 9"
Ordinance	Date	07/15/92 \$	11/15/93	10/09/97	03/18/98	03/18/98	04/01/98	00//0/90	05/30/02							12/15/02	12/15/05	12/15/02	06/16/06	09/19/07	03/04/09						
	Improvement Description	General Improvements: Acquisition of Fire Apparatus	Reconstruction & Renovation of Certain Piers	Creation of Castle Point Park	Multi-Service Center	Elysian Park	Improvements - City Hall	Removal & Closure of Underground Storage Tanks	Various Projects and Improvements:	City Hall	Underground Storage Tanks	Police Headquarters	Acquisition of Fire Engines	Acquisition of Equipment & Vehicles	Improvement to City Parks	Land Parcel Acquisition	Improvements of Buildings and Equipment	Acquisition of Vehicles and Equipment	Various Road Improvements	Reconstruction of Pier C	Construction of Waterfront Walkway	Improvements to 1600 Park and Hoboken Cove	Acquisition of Fire Apparatus	Castle Point and Sinatra Park Waterfront Walkway	Various Capital Improvements	Acquisition of Public Works Garage	
Ordinance	Number	P184	R13	R85	R301	R301	R302	R433	DR42							DR304	DR233	DR233	DR621/337	DR326		Z-18	Z-23	Z-30	Z-33	Z-40	

924,698

Cash Encumbrances 971,741

### Exhibit C-12

# CITY OF HOBOKEN, N.J.

# **Schedule of Reserve for Encumbrances**

# **General Capital Fund**

Balance, June 30, 2009	\$ 64,215
Increased by: Improvement Authorizations	\$ 47,043
	111,258
Decreased by: Payments	 64,215
Balance, June 30, 2010	\$ 47,043

# Exhibit C-13

# CITY OF HOBOKEN, N.J.

# **Schedule of Capital Improvement Fund**

# General Capital Fund

Balance, June 30, 2009	177,000
Decreased by: Appropriated	51,750
Balance, June 30, 2010	\$ 125,250

### CITY OF HOBOKEN, N.J.

### **Schedule of Reserves**

### **General Capital Fund**

		Balance June 30, 2009	Increases	<u>Decreases</u>	Balance June 30, 2010
Reserve for:					
Hazmat Fund	\$	17,630			17,630
Payment of BANs - ADA Library		117,629	114,431		232,060
Green Acres		200,000			200,000
COPs Agreement		5,678		5,678	
Maxwell Place Walkway	_				attunion de aleita attention (1997)
	\$	340,937	114,431	5,678	449,690

### CITY OF HOBOKEN, N.J.

### Schedule of Bonds and Notes Authorized But Not Issued

### General Capital Fund

Ordinance <u>Number</u>	Improvement Description	Balance June 30, 2009	Authorizations	Decreased	Balance June 30, 2010
	General Improvements:				
	Creation of North Park	267,836			267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667			371,667
DR621/337	Various Road Improvements	1,900,000		850,000	1,050,000
DR326	Reconstruction of Pier C	15,000,000			15,000,000
Z-23	Acquisition of Fire Apparatus		579,500		579,500
Z-30	Castle Point and Sinatra Park Waterfront Walkway		12,000,000		12,000,000
Z-33	Various Capital Improvements		403,750		403,750
Z-40	Acquisition of Public Works Garage		15,950,000		15,950,000
		\$ 17,539,503	28,933,250	850,000	45,622,753

### CITY OF HOBOKEN, N.J.

### Schedule of Cash - Treasurer

### Parking Utility Operating Fund

		Operating
Balance, June 30, 2009	\$_	1,651,952
Increased by Receipts: Budgeted Revenues		13,056,016
		14,707,968
Decreased by Disbursements:		
2010 Appropriations		10,425,765
Accrued Interest Paid		1,312,125
2009 Appropriation Reserves		151,615
•		
		11,889,505
Balance, June 30, 2010	\$_	2,818,463

### CITY OF HOBOKEN, N.J.

### **Schedule of Deferred Charges**

### Parking Utility Operating Fund

June 30, 2010

Balance - June 30, 2007 \$ 20,000

Balance - June 30, 2008 20,000

### CITY OF HOBOKEN, N.J.

### Schedule of Fixed Capital

### Parking Utility Capital Fund

Year ended June 30, 2010

Balance, June 30, 2009

\$ 45,157,185

Balance, June 30, 2010

\$ 45,157,185

### CITY OF HOBOKEN, N.J.

### **Schedule of Security Deposits**

### **Parking Utility Operating Fund**

Year ended June 30, 2010

Balance, June 30, 2009

\$ 233,776

Balance, June 30, 2010

233,776

### CITY OF HOBOKEN, N.J.

### Schedule of Accrued Interest Payable

### Parking Utility Operating Fund

Balance - June 30, 2007		S	780,605
Increased By: Interest on Bonds Interest on Notes		957,938 146,180	
			1,104,118
			1,884,723
Decreased By: Interest Paid on Bonds Interest Paid on Notes		1,025,424 286,701	
			1,312,125
Balance - June 30, 2008			572,598
Analysis of Accrued Interest Payable	at June 30, 2010:		
	Outstanding Inter Principal Ra		Accrued Interest
Bond Anticipation Notes Bonds	\$ 4,400,000 6.23 20,930,000 Vari		87,083 485,515
			572,598

### CITY OF HOBOKEN, N.J.

### Schedule of Interfunds Due from/(to) Various Funds

### Parking Utility Capital Fund

	Balance, June 30, <u>2009</u>	Balance, June 30, 2010
Parking Utility Operating Fund	\$ 1,974,000	1,974,000
	\$ 1,974,000	1,974,000

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

Balance,	30, 2010	Onfunded	226,000	226,000
Ba	June.	Funded		Table to the state of the state
Balance,	0, 2009	Funded Unfunded	226,000	226,000
Bala	June 3(	Funded	47	\$
	ance	Amount	2,200,000	
Ordinance		Date	December 19, 2007	
		Improvement description	Improvements to Parking Garage	
	Ordinance	numper	Unknown	

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

Balance	June 30, 2010	4,400,000	4,400,000
•	Decreased	4,600,000	4,600,000
	Increased	4,400,000	4,400,000
Balance	June 30, 2009	4,600,000	\$ 4,600,000
Interest	Rate	1.75%	
Date of	Maturity	September 4, 2010	
Date of	Issue	September 9, 2009	
Date of Original	<u>Issue</u>	September 14, 2007	
	Improvement Description	Parking Utility Notes Series 2008C September 14,	
Ordinance	Number	Unknown	

CITY OF HOBOKEN, N.J.

Schedule of Parking Utility Serial Bonds

## Year ended June 30, 2010

Balance, June 30, <u>2010</u>	19,855,000
Decreased	1,075,000
Balance, June 30, <u>2009</u>	5.060% \$ 20,930,000 5.060% 5.060% 4.000% 5.250% 5.250% 5.250% 75-5.00% 75-5.00% 75-5.00%
Interest <u>rate</u>	5.060% 5.060% 5.060% 4.000% 5.250% 5.250% 5.250% 4.75-5.00% 4.75-5.00% 4.75-5.00%
es of tanding, 2010 Amount	1,125,000 1,185,000 1,250,000 1,270,000 1,320,000 1,460,000 1,540,000 1,540,000 1,770,000 1,770,000 1,950,000
Maturities of bonds outstanding, June 30, 2010  Date Au	January 1, 2011 January 1, 2012 January 1, 2013 January 1, 2014 January 1, 2016 January 1, 2017 January 1, 2017 January 1, 2018 January 1, 2019 January 1, 2020 January 1, 2021 January 1, 2021 January 1, 2021 January 1, 2021
Original <u>issue</u>	26,530,000
Date of <u>issue</u>	Parking Utility General Obligation December 31, 1998 Bonds - Series 2002

1,075,000 19,855,000

\$ 20,930,000

### CITY OF HOBOKEN, N.J.

### Schedule of Reserve for Amortization

### **Parking Utility Capital Fund**

Year ended June 30, 2010

Balance, June 30, 2009

\$ 17,427,185

Increased by:

Payment of Serial Bond Principal
Payment of Bond Anticipation Note Principal

\$ 1,075,000 200,000

1,275,000

Balance, June 30, 2010

\$ 18,702,185

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Balance	June 30, 2010	2,200,000	2,200,000
Balance	June 30, 2009	2,200,000	\$ 2,200,000
nance	Amount	2,200,000	
Ordinance	<u>Date</u>	12/19/07	
	Improvement description	Improvements to Parking Garage	
Ordinance	number	6666	

## LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL GENERAL COMMENTS AND RECOMMENDATIONS YEAR ENDED JUNE 30, 2010

### Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA Steven D. Wielkotz, CPA, RMA James J. Cerulio, CPA, RMA Paul J. Cuva, CPA, RMA Thomas M. Ferry, CPA, RMA Certified Public Accountants 401 Wanaque Avenue Pompton Lakes, New Jersey 07442 973-835-7900 Fax 973-835-6631 Newton Office 100B Main Street Newton, N.J. 07860 973-579-3212 Fax 973-579-7128

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council City of Hoboken County of Hudson, New Jersey

We have audited the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended June 30, 2010, and have issued our report thereon dated February 18, 2011. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the City of Hoboken prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Hoboken's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Honorable Mayor and Members of the City Council Page 2.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. As noted in the accompanying schedule of findings and questioned costs, we consider the following to be significant deficiencies:

- Inadequate procedures for appropriately assessing and applying accounting principles.
- Failure of controls designed to safeguard assets from loss, damage or misappropriation.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hoboken's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under <u>Government Auditing Standards</u>.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying schedule of findings and questioned costs and the accompanying comments and recommendations section of this report.



Honorable Mayor and Members of the City Council Page 3.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.

Steven D. Wielkotz, C.P.A. Registered Municipal Accountant No. CROO413

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. Certified Public Accountants

February 18, 2011



### Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA Steven D. Wielkotz, CPA, RMA James J. Cerullo, CPA, RMA Paul J. Cuva, CPA, RMA Thomas M. Ferry, CPA, RMA Certified Public Accountants 401 Wanaque Avenue Pompton Lakes, New Jersey 07442 973-835-7900 Fax 973-835-6631 Newton Office 100B Main Street Newton, N.J. 07860 973-579-3212 Fax 973-579-7128

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED

Honorable Mayor and Members of the City Council City of Hoboken County of Hudson, New Jersey

### Compliance

We have audited the compliance of the City of Hoboken, County of Hudson, with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement</u> and the <u>New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement</u> that are applicable to each of its major federal and state programs for the year ended June 30, 2010. The City of Hoboken's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on the City of Hoboken's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the City of Hoboken's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Hoboken's compliance with those requirements.

In our opinion, the City of Hoboken complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.



Honorable Mayor and Members of the City Council Page 2.

### Internal Control Over Compliance

The management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Hoboken's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over compliance.

A control deficiency is an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. As noted in the accompanying schedule of findings and questioned costs, we consider the following to be significant deficiencies:

- Inadequate procedures for appropriately assessing and applying accounting principles.
- Failure of controls designed to safeguard assets from loss, damage or misappropriation.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The City of Hoboken's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Hoboken's response and, accordingly, we express no opinion on it.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying schedule of findings and questioned costs and the accompanying comments and recommendations section of this report.



Honorable Mayor and Members of the City Council Page 3.

This report is intended solely for the information of management, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.

Steven D. Wielkotz, C.P.A. Registered Municipal Accountant

uli, W, colle r Car, P.A.

No. CR00413

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A. Certified Public Accountants

February 18, 2011



CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of Federal Awards

Program	CFDA	Grant period	Award Amount	Balance at June 30, 2002	Cash <u>Received</u>	Expenditures	Deferred Revenue/ (Accounts Receivable) at June 30,	MEMO Cumulative Total
Federal Grantor Pass Through Grantor Program Title: Dept. of Housing and Urban Development: Direct:							*	
Section 8 Housing Assistance Program Total Direct Programs	14.218	Prior Year	8,353,299	125,000			125,000 * 125,000 *	8,228,299
Passed Through Hudson County Dept. of Finance and Admin:							* *	
Community Development Block Grant - 2000	14.218		235,890				* 3	152,643
Community Development Block Grant - 2001 Community Development Block Grant - 2005	14.218		595,420 447 000	30 773			30.773 *	555,420
Community Development Block Grant - 2006	14.218		489,400	(8,819)			* (8,819)	370,819
Community Development Block Grant - 2007	14.218	0000	412,000	209,210			209,210 *	352,789
Community Development Block Grant - 2009 Admin, Costs Community Development Block Grant	14.218	6007	20,000				* &	000,00
Child Care Services		2010	100,000		100,000	100,000	*	100,000
City Recreation Program		2010	10,000		10,000	10,000	*	10,000
Family Planning		2010	20,000		20,000	20,000	* *	20,000
Jubilee Center	016.81	2010	50,000		20,000	20,000	* *	50,000
Columning Development Brock Oran - 2010 remini. Costs Total Pass-Through Programs	01771	0107	2,459,710	231,164	230,000	230,000	231,164 *	2,138,671
Total U.S. Dept. of Housing and Urban Development			10,813,009	356,164	230,000	230,000	356,164 *	10,366,970
Dept. Of Justice; Direct:							* *	
Public Safety Partnership and Community Policing Grants	16 710	2007	22 800	22 800			* * 000 *	
Bulletproof Vest Partnership	16.710	2009	8,883		8,883		8,883 *	
ARRA -Hudson County Justice Assistance Grant	16.738	2009	20,015				* :	
ARRA -Hudson County Justice Assistance Grant Sultoral Denartment of firstice	16.738	2010	82,531	-			* *	***************************************
Grants			134,229	22,800	8,883		31,683 *	
							*	
Save the Youth Grant Save the Youth Grant	16.540 16.540	2009	197,446 223,587	(952)	132,309	108,020	(952) *	197,443
			421,033	(77,506)	132,309	070,801	4	368,087
Total Direct Programs			555,262	494	141,192	108,020	33,666 *	368,087

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

MEMO Cumulative Total Expenditures	20,000 10,465 38,165 30,303	98,933	100,000	109,032 352,522 209,665	335,695 400,374 12,473 1,519,761	18,621 19,059 18,000 12,000 67,680
Deferred Revenue/ (Accounts Receivable) at June 30,	6,274 * * (2,866) * 25,728 * *	29,136 *	* 114,926 * 32,585 * 19,144 * 12,551 *	173,893 * 21,748 * 125,555 * 240,335 *		1,379 * * 941 * * 4,920 * *
Expenditures	30,303	30,303		4,171	81,388 400,374 (1) 12,473 498,406	12,000
Cash <u>Received</u>	27,437	27,437			265,220	800 14,600 15,400
Balance at June 30, 2009	6,274	32,002	114,926 32,585 19,144 12,551	173,893 25,919 125,555 240,335	24,571	1,379 941 (300) 1,520
Award <u>Amount</u>	20,000 16,739 38,165 35,661 25,728	136,293	100,000 Prior Year Prior Year Prior Year 12,551	300,811 390,000 125,555 450,000 300,000 Prior Year	400,000 410,732 460,531 80,000 3,030,180	20,000 20,000 18,000 16,000
Grant period	Prior Year 2007 2008 2009 2010			2008	2008 2009 2010 2010	Prior Year 2008 2009 2010
CFDA	10.559 10.559 10.559 10.559		20.205 20.205 20.205 20.205 20.205	20.205 20.205 20.205 20.205 20.205	20.205 20.205 20.205 20.205	20.600 20.600 20.600 20.600
Program	Department of Agriculture: Passed Through the NJ Department of Agriculture Summer Food Service	Department of Transportation  Passed Through the NJ Department of Transportation	Safe Streets to School Program 2005 Roadway Improvement Project State Highway Signage - Hudson Place 2003 State Highway Signage - Hudson Place 2004 State Aid Highway Street School District	2006 Roadway Improvement Program: 2006 Roadway Improvement - 8th Street Impr's Downtown Revitalization SFY 2007 Roadway Improvement Program 1600 Park Avenue Development Highway Planning and Construction-Mise Projects 2000-2005	2008 Roadway Improvements Project 2009 Various Street Improvements 2010 Various Streets Improvements 2010 Safe Streets to Transit	Department of Transportation Passed Through the NJ Division of Law & Public Safety State and Community Highway Safety (Walk Safe Pedestrian)

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

MEMO Cumulative Total Expenditures	5,000 4,800 6,000 5,000 20,800	300,998	48,900 48,900 12,890,139
Deferred Revenue/ (Accounts Receivable) at June 30,	(4,800) * 4,700 * (5,000) * (5,100)	41,692 * 41,692 * * (42,491) *	(48,900) * 48,900 (48,900) * 48,900 923,877 * 12,890,139
Expenditures	6,000	399,008	48,900 48,900 1,337,637
Cash Received	6,000	41,692 41,692 356,517 356,517	1,083,458
Balance at June 30, $\frac{2009}{}$	(4,800) 4,700 (100)		1,178,056
Award <u>Amount</u>	5,000 5,000 4,700 6,000 5,000	161,000 161,000 399,008 399,008	877,000 877,000 8 16,071,452 \$ 1,178,056
Grant period	2008 2008 2009 2009 2010	2010	2010
CFDA number	20.601 20.601 20.601 20.601 20.601	81.128	
Program	Department of Transportation Passed Through the National Highway Traffic Safety Over the Limit Under Arrest	Department of Energy ARRA - Energy Efficiency & Conservation Block Grant Department of Homeland Security FEMA - Staffing for Adequate Fire and Emergency Reponse	General Capital Fund: Economic Development Agency Hoboken Cove Total Federal Awards

Note: See accompanying notes to schedules of expenditures of federal and state awards.

(1) - Receipt and expenditure activity presented against a grant award that has not been appropriated, see Notes to Financial Statements No. 5

CITY OF HOBOKEN, N.J.

# Schedule of Expenditures of State Financial Assistance

MEMO Cumulative Total Expenditures	1,500	79,000 1.06,000 49,000	250,000	2,205,000	35,728 36,587 52,248	6,890 32,544	7,338 117,320 2,485 16,206	3,000	80,060 29,524 58,796	3,909	22,980
Deferred Revenue/ (Accounts Receivable) at June 30,	* 1,250 * (2,990)	(25,003) * (49,000) * *	* * * * *	(75,743)	5,169 * (52,258) * 97,388 *	36,920 * 58,198 * 11,004 *	(67,708) * 23,209 * (16,206) * 2,000 *	97,722 *	\$ \$0,893 * 118,921 * (58,796) *	5,291 * (10,139) * 17,727 * 2,946 *	3,059 * 4,705 * 22,830 * 197,437 *
Budgetary Expenditues		49,000	250,000	299,000	148	30,037	2,485	35,670		4,986	22,980 27,966
Cash <u>Received</u>	•	52,333	250,000	302,333		58,198	30,422	3,000		7,389	4,705 45,810 65,928
Balance June 30, <u>2009</u>	1,250 (2,990)	(77,336)		(79,076)	154 5,169 (52,258) 97,388	36,920	(98,130) 25,694 (16,206) 2,000	41,772	90,893 118,921 (58,796)	5,291 (12,542) 9,703 2,946	3,059
Award Amount	Phor Year 1,250 Pror Year 64,000	79,000 100,000 49,000 150,000	250,000 150,000 100,000 20,000	2,250,000	35,734 41,756 80,455 85,304	43,810 12,084 58,198 43,548	Fnor Year 117,320 136,132 19,893 2,000	3,000	80,000 120,417 118,921 58,796	5,909 23,363 9,703 4,531	3,059 4,705 1,04,454
Grant <u>period</u>	2008	2008 2010 2008	2008 2008 2008 2008 2009			2009 2009 2010	2008	,	2008	2007 2008 2010 2009	2009 2010 2010
Grant number	NIA NIA NIA	NIA NIA NIA	NA NIA NIA NIA NIA	04-1955-00	MA NIA NIA	NA NA NA	N/A N/A N/A N/A 07-4870	08-4870	N/A N/A N/A N/A	NA NA NA NA NA	N/A N/A 10-480-BT-L-1
	Federal and State Grant Pund.  Department of Community Affairs  Domestic Violence  Domestic Violence  Protection and Prevention Grant  State Cooperative Housing Inspections	State Cooperative Housing Inspections State Cooperative Housing Inspections State Cooperative Housing Inspections Multi Service Center Replacement	MMIN Service Center Replacement MMI Service Center Replacement Child Care Services Child Care Services Family Planning Services Family Planning Services	1118 Adams Street Urban Renewal Total Dept. Of Community Affairs :	Dept. of Environmental Protection Clean Communities Program - 2006 Clean Communities Program - 2007 Clean Communities Program - 2008 Clean Communities Program - 2008	Clean Communities Program	Storm Water Grant Recycling Tornage Grant Recycling Tornage Grant Hazardous Dischauge Site Remediation Community Peresty Proceaus	Community Forestry Programs Total Dept. of Environmental Protection	Dept of Health & Senior Services Direct Community Service Block Grant-Adminstration Public Healthcare Mgnt. Caregivers Public Healthcare Mgnt. Caregivers Public Health Priority Punding	Public Health Priority Funding Senior Emersence Funds	Senior Enorgency Funds Hepatius B Inoculation Fund HINI Grant Total Dept. of Health & Senior Services-Direct

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

MEMO Cumulative Total Expenditures	11,261 4,165 17,038 8,107	20,447 4,000 6,435 71,453	19,120	110,000 250,000 237,515 597,515	41,692 23,472 9,925 75,089	16,899,359	1,569,166	8,465,493 8,465,493 30,982,653
Deferred Revenue/ (Accounts Receivable) at June 30,	3,098 ** (4,165) * 1,267 * 14,377 **	(400) * (10,624 * 5,142 * 5,942 * 7,942 * 41,886 *	18,224 2,208 20,432	36,000 * 95,832 * 42,492 * 174,344 * .	45,000 * (41,692) * (283,940 * 287,248 *	(1,078,046)		(644,074) * (644,074) *
Budgetary <u>Expenditures</u>	5,349	6,435 19,891		13,000 81,816	41,692 23,472 9,925 75,089	573,501 573,501	The state of the s	1,125,933
Cash <u>Received</u>		12,377	955		293,865	552,118	,	1,319,196
Balance June 30, 2002	3,098 (4,165) 5,350 15,374 14,377	(400) 10,624 5,142 49,400	18,224	13,000 81,816 36,000 95,832 42,492 269,160	45,000	(1,056,663)	THE PARTY OF THE P	(644,074) (644,074) \$ (1,172,057)
Award	14,359 9,928 17,039 15,374 14,377 4,309	Prior Year 4,000 4,000 9,006 10,624 5,142 12,377	18,224 1,253 19,120	110,000 250,000 36,000 95,852 237,515 42,492	60,000 41,692 23,472 323,252	17,479,834	2,520,166 1,700,000 1,000,000	8,465,493
Grant <u>period</u>	Prior Year 2007 2008 2009 2010 2011	2009 2007 2010	2007 2009 2007	2007 2008 2009 2010	2008 2009 2009 2010	2008	2008 2010 2010	2008
Grant number	00-BA-0905 00-BA-0905 00-BA-0905 00-BA-0905 00-BA-0905 00-BA-0905	00-BA-0905	N/A N/A 16.738	WA	00-6334-00 N/A N/A			
	Dept. of Law and Public Safety Body Arnor Replacement Program Body Arnor Replacement Program - 2007 Body Arnor Replacement Program - 2008 Body Arnor Replacement Program Body Arnor Replacement Program Body Arnor Penjacoment Program Body Arnor Penjacoment Program	Body Autor Aspacement Program Body Autor Replacement Program Click-It-Or-Tricket Drunk Driving Enforcement Fund Drunk Driving Enforcement Fund Drunk Driving Enforcement Fund Total Dept. of Law and Public Safety	Dept. of Justice Alcohol Ed Rehab Enforcement Fund Alcohol Ed Rehab Enforcement Fund Byme Justice Assistance Grant (JAG) Prosecutor Total Dept. of Justice	Department of Treasury State Contigency Fund Special Purpose Grant - 9/11/01 Memorial Special Purpose Grant - 9/11/01 Memorial Observer Hwy Firehouse Fire Department Grant	Other State Agencies: Smart Growth Planning Clean Bangry Program Library Aid NIEDA Hazardous Site Remediation Total State Contingency Fund	General Capital Fund: NYINI Fort Authority: Reconstruction of Pier C Total NYINI Port Authority	Dept. of Environmental Protection Reconstruction of Pier C Green Acres 1600 Park Avenue Hoboken Cove Total State Dept. of Firvironental Protection	Dent, of Highway Pacilities: Maxwell Place Walkway Total State Dept, of Highway Facilities Total State Assistance

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

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MEMO Cumulative Total Expendituces		2,000,000	31,519	46,543	40,261	13,142	18,411			101,598	69,400					4	3,300		7 344 947				2,583	2,300,000	1,513,420	2,200	3,818,203		3,061,262	2,001,202			6,163,145	37,145,798
Deferred Revenue/ (Accounts Receivable) at June 30,	* * * *	<b>.</b> •	(31,519) *	* 9/6.	*	96° 1	15,061 *	35,604 *	121,418 *	72,400 *	(69,400) *	* :	* *	*	*	a 4	# 000 W	674 *	(1,184) *	*	* *	4,000 *	(2,583) *	*	*	* 00¢	46,013 *	* *	(101,730) *	* (101,/30)	* *	* *	* 677,725	* (751,015)
Budgetary Expenditues		2,000,000	31,519			:	18,411				69,400								7 194 064	4,344,004				2 300 000	1,513,420	2,200	3,815,620						5,939,684	7,065,617
Cash <u>Received</u>					8,789		33,472	35,424	121,418										3,550	507,000			(2,583)			7,680	7,597		241,333	241,535			210,250	1,529,446
Balance June 30, <u>2009</u>		2,006,000	i i	7,976	(8,789)		10 481	180		25,400	CCD,12						40.086	40,000 674	2010010	111,501,4		35,016 4,000		3 300 006	1,513,420		3,854,036		(343,063)	(343,063)			5,957,213	\$ 4,785,156
Award		2,000,000	300,000	56,134	40,261	13,142	40,261	10,601	210,225	126,998	127,000	2,000	2,000	19,000	10,000	20,000	5,300	40,074	4,734		,	36,616	2,583	0 300 000	1,513,420	7,680	ŀ		3,061,262		200,000	350,000		<b>0</b> 49
Grant period			2010	2008	2009	2009	2010	2007	2008	5003	2010	2008	2009	0107	2009	2009	2008		2010					20402	2008	2010			2008		2010	2010		
Grant number																						N/A N/A	N/A	NVA	N/A	N/A N/A		,						
	Pederal and State Grant Fund. Federal Granton Fass Through Granton Program Title Passed Through Hudson County Dept. of	Finance and Administriation: Hudson County Open Space Grant	Hudson County Open Space Grant	Municipal Alliance Program - County	Minicipal Alliance Program - City Maten Minicipal Alliance Program - County	Municipal Alliance Program - City Match	Municipal Alliance Program - County	Adult Day Care	Adult Day Care	Achilt Day Care	Adult Day Care 4 dolf Day Care	United Cerebral Palsy	United Cerebral Palsy	United Cerebral Palsy	City Recreation Program City Recreation Program	Jubilee Center	Library Computer Replacement	Comprehensive Program for the Elderly Comprehensive Program for the Elderly	Cultural and Heritage Program	Total Pass-Through Programs	Other Direct Programs:	Fire Department Hazmat Donations NI Vonth Roothell Great	Senior Emergency Funds	The Trust for Public Land:	1000 Fark Avenue (Acquisition) 1600 Park Avenue (Land and Water)	Cultural Affairs/Tourism	Total Other Direct Programs	General Capital Fund	Developer's Share - Toll Brothers Maxwell Place Walkway	Total Developer's Share	Hudeon County Open Space	Hoboken Cove Total Developer's Share	Total County/Offer Assistance	Total State and County/Other Assistance

Note: See accompanying notes to schedules of expenditures of federal and state awards.

### CITY OF HOBOKEN NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

### NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of Hoboken, County of Hudson. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

### NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

### NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	Local	<u>Total</u>
Current Fund	\$1,288,737	\$552,432	\$5,939,684	\$7,780,853
General Capital Fund	48,900	<u>573,501</u>		622,401
* .	<u>\$1,337,637</u>	<u>\$1,125,933</u>	<u>\$5,939,684</u>	<u>\$8,403,254</u>

### NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

### NOTE 5. ADJUSTMENTS

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

## CITY OF HOBOKEN NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010 (CONTINUED)

### NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at June 30, 2010, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
Underground Storage Tank Loan State of New Jersey Green Acres Trust Loan	\$24,472 <u>1,905,742</u> \$1,930,214

### CITY OF HOBOKEN SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010

### Section I - Summary of Auditor's Results

### **Financial Statements** qualified Type of auditor's report issued: Internal control over financial reporting: Significant deficiencies identified that are none not considered to be material weaknesses? X yes reported X no yes 2. Material weakness(es) identified? Noncompliance material to financial statements noted? yes Federal Awards Section Dollar threshold used to distinguish between type A and \$\_\_300,000 type B programs: yes Auditee qualified as low-risk auditee? Type of auditors' report on compliance for major programs: unqualified Internal Control over compliance: 1. Significant deficiencies identified that are none not considered to be material weaknesses? X yes reported 2. Material weakness(es) identified? yes Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes Identification of major programs: Name of Federal Program CFDA Number(s) FEMA Staffing for Adequate Fire & Emergency 97.044 Response Various Street Improvements 20.205

### CITY OF HOBOKEN SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010 (continued)

### Section I - Summary of Auditor's Results, (continued)

### **State Awards Section** Dollar threshold used to distinguish between type A and \$ 300,000 type B programs: Auditee qualified as low-risk auditee? Type of auditors' report on compliance for major programs: unqualified Internal Control over compliance: 1. Significant deficiencies identified that are none not considered to be material weaknesses? reported 2. Material weakness(es) identified? yes Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended? yes Identification of major programs: Name of State Program GMIS Number(s) NY/NJ Port Authority N/A

### CITY OF HOBOKEN SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010 (continued)

Section II - Schedule of Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

### FINDING: 2010-1

### STATEMENT OF CONDITION

Inadequate procedures for appropriately assessing and applying accounting principles.

### CRITERIA

Procedures for assessing and applying accounting principles should be established in order to ensure the financial statements are presented fairly and in accordance with generally accepted accounting principles.

### **EFFECT**

Transactions are often subject to risk of misclassification (e.g. expendtiures).

### **CAUSE**

Purchases are made prior to being encumbered in the accounting system.

### **RECOMMENDATION**

All transactions should be approved and encumbered in the accounting system prior to purchase.

### CITY OF HOBOKEN SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010

(continued)

### STATUS OF PRIOR YEAR FINDINGS

(This section identifies the status of prior year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB Circular 04-04.)

**FINDING: 2009-1** 

### **RECOMMENDATION**

The City should consider designing an internal control structure that allows the proper monitoring of revenues collected, expenditures charged against its annual budgetary appropriation and payroll.

### **STATUS**

Corrective action has been taken.

**FINDING: 2009-2** 

### **RECOMMENDATION**

The City should weigh the cost/benefits of implementing a proper segregation of duties.

### **STATUS**

Corrective action has been taken.

**FINDING: 2009-3** 

### **RECOMMENDATION**

All transactions should be approved and encumbered in the accounting system prior to purchase.

### **STATUS**

Unchanged

FINDING: 2009-4

### RECOMMENDATION

The City should ensure appropriations are legally established prior to approving any contracts.

### **STATUS**

Corrective action has been taken.

### GENERAL COMMENTS

### Contracts and Agreements Requiring Advertisement for Bid

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective July 1, 2005 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$21,000 or \$29,000 if there is a certified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

Improvement of City Roadways
Waste Removal Services
3-Wheel Scooter with Dumper
Police Headquarters Roof Repair
Summer Food Services

### GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A.40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

### Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on July 1, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the City of Hoboken.

### GENERAL COMMENTS, (continued)

### **Delinquent Taxes and Tax Title Liens**

A tax sale was not held in 2010.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on June 30, of the last three years:

Year	Number of Liens
2010	50
2009	50
2008	50

### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

### **OTHER COMMENTS**

### City Clerk

1. Not all Local Government Ethics Law Financial Disclosure statements were returned by same officials as required by N.J.S.A. 40A:9-22.1.

### Finance/Treasurer

1. Not all financial transactions are being recorded in the General Ledgers as required by Technical Accounting Directive #3 for the following funds:

POAA Employee Trust

- 2.\* Technical Accounting Directive #2, codified as N.J.A.C. 5:30-5.6., requires the City to place a value of all fixed assets put into service. The City had hired an appraisal company to prepare a listing of the City's assets as well as appraise each asset's value. The report prepared was for the fiscal year ended June 30, 2004 and has not been maintained to report new assets.
- 3.\* Petty cash disbursed to various departments does not agree to State approved petty cash application in accordance with N.J.S.A. 40A:5-21..
- 4. Funds moved from the Salary Adjustment line were not properly approved.
- 5. Escrow is not being properly reconciled to the General Ledger.
- 6. Prior year encumbrances are not being cancelled correctly in the General Capital Fund.
- 7. Trust fund bank reconciliations contain several unidentified adjustments.
- 8. The City is not maintaining a detail record of Properties Acquired for taxes.
- 9. A reserve or payable for 5% of Pilots due to the County of Hudson is not being maintained.
- 10. Expenditures were incurred against grant awards that had not yet been appropriated.

### **OTHER COMMENTS, (continued)**

### **Purchasing**

- 1. Instances where the leased copiers were not being charged correctly as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
- 2. Informal quotes were not obtained for some purchases over the 15% of the bid threshold N.J.S.A. 40A:11-6(1).
- 3. Not all bid documents were available for review as required by N.J.S.A. 40A:11.
- 4. Not all biddable purchases went out for bid as required by N.J.S.A. 40A:11-1.

### Payroll/Personnel

- 1.\* A report of accrued liability for sick and vacation time payable is not maintained as prescribed in the detailed walkthrough.
- 2. Not all eligible vendors received a Form 1099 as required by IRS Rev. Rul. 2003-66.
- 3.\* There is no approved salary ordinance for the fiscal year as required by the Division of Local Government Services, Standard Audit Program and Procedures.
- 4. Payroll registers are only being reviewed by the person processing the payroll.

### **Departments**

1. The following departments do not maintain supporting documentation for receipts as required by the Division of Local Government Services, Requirements of Audit for Revenue and Receipts:

Housing Department Recreation Department \*Police Department

- 2.\* Instances where fees charged by the Police Department are not consistent with approved fee ordinance.
- 3. A receipt ledger is not properly being maintained for the Environmental Department to determine when monies were collected.
- 4. Remaining dog tags were discarded prior to audit review.
- 5. The Police Department is not reconciling monies deposited to the Treasurer's records on a regular basis.

### RECOMMENDATIONS

### City Clerk

1. That all Government Officials are required and should submit a Local Government Ethics Law Financial Disclosure Statement per N.J.S.A. 40A:9-22.1.

### Finance/Treasurer

1. That all financial transactions be recorded in the General Ledger as required by Technical Accounting Directive #3 for the following funds:

POAA Employee Trust

- 2.\* That the appraisal company should be contacted to update the report yearly.
- 3.\* That an updated application be submitted to the State to approve various appointments of petty cash.
- 4. That all necessary steps are taken to get proper approval before moving funds from the Salary Adjustment line.
- 5. That the Escrow be properly reconciled to the General Ledger.
- 6. That prior year encumbrances be cancelled correctly on the General Capital Fund.
- 7. That all adjustments be identified and recorded for reconciliations to the Trust Fund.
- 8. That a detail report for Properties Acquired for taxes be maintained.
- 9. That a reserve or a payable to maintained for Pilots due to the County of Hudson.
- 10. All grant awards be included in the adopted budget or approved via N.J.S.A. 40A:4-87 prior to contracts being encumbered and expenditures incurred.

### RECOMMENDATIONS, (continued)

### **Purchasing**

- 1.\* That all invoices be charged to the correct budget account to what the services were rendered.
- 2. All purchases over 15% of the bid threshold should obtain informal quotes as required by Local Public Contracts Law.
- 3. That all bids sought by public advertisement be maintained by the City and made available for audit review.
- 4. All purchases over the bid threshold should go through the public bidding process as required by N.J.S.A. 40A:11.1.

### Payroll/Personnel

- 1.\* That a report of accrued liability for sick and vacation time payable to updated and maintained by the payroll department.
- 2. That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2003-66.
- 3.\* That the salary ordinance be created and approved by Mayor and Council.
- 4. That payroll register be reviewed by other responsible party that is not involved with the payroll process.

### **Departments**

1. That the following departments maintain a receipt journal to support receipts:

Housing Department Recreation Department \*Police Department

- 2.\* That more care be taken to ensure the proper fees are collected or update fee ordinance through City Council.
- 3. That a receipt ledger be properly maintained by the Environmental Department to reflect dates of monies collected.
- 4. That all remaining dog tags be maintained and made available for audit review.
- 5. That the Police Department reconciles monies deposited to the Treasurer's records on a regular basis.

### STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk ("\*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,

Steven D. Wielkotz

Registered Municipal Accountant

No. CR00413

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.

Certified Public Accountants

February 18, 2011